S. HRG. 99-306

OVERSIGHT ON THE JOB TRAINING PARTNERSHIP ACT, 1985

HEARINGS

BEFORE THE

SUBCOMMITTEE ON
EMPLOYMENT AND PRODUCTIVITY

OF THE

COMMITTEE ON
LABOR AND HUMAN RESOURCES
UNITED STATES SENATE

NINETY-NINTH CONGRESS

FIRST SESSION

ON

EXAMINATION OF HOW THE PROGRAM IS WORKING AND WHAT IMPROVEMENTS OR CHANGES MAY BE NECESSARY

JULY 1, 1985
INDIANAPOLIS AND EVANSVILLE, IN

JULY 2, 1985
SOUTH BEND AND GARY, IN

AUGUST 7, 1985
LAFAYETTE AND FORT WAYNE, IN

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OVERSIGHT ON THE JOB TRAINING PARTNERSHIP ACT, 1985

MONDAY, JULY 1, 1985

U.S. Senate,
Subcommittee on Employment and Productivity,
of the Committee on Labor and Human Resources,
Indianapolis, IN.

The subcommittee met, pursuant to notice, at 8:30 a.m., in the second floor courtroom, U.S. Courthouse, Senator Dan Quayle (chairman of the subcommittee) presiding

Present: Senator Quayle.

OPENING STATEMENT OF SENATOR QUAYLE

Senator **Quayle**. The committee will come to order.

I am Dan Quayle, and I am here on behalf of the Labor and Human Resources Committee, and in capacity of being chairman of the Employment Productivity Subcommittee. I will be examining the Job Training Partnership Act today in Indianapolis and Evansville. We will be having a series of six hearings from around the State to try to get input on the Job Training Partnership Act. I believe that, from time to time, it is incumbent upon those that authored legislation not just to go ahead and to get it passed, but to see how in fact it is being implemented.

I am gratified that our leadoff witness this year is the same leadoff witness that we had back in 1981, as a matter of fact in this same room. Governor Orr was here to testify at that time on the CETA Program and what its successor should look like.

And his testimony, and that of others that day, was very helpful to me as we and formulated the Job Training Partnership Act that passed the Senate twice unanimously. He is now being joined by the Lt. Gov. John Mutz, and who worked together in making sure that the coordination and the execution of the Job Traning Partnership Act goes according to Hoyle, and according to the way that it was laid out.

But the bottom line here today is to try to get input from those that are responsible for implementing the program.

I know that during that testimony of the Governors a few years ago, and Governor Orr in particular said, that the Governors wanted to become more involved in the program, and we in fact have given them more responsibility. As a matter of fact, one of the main first responsibilities was for them to carve the State into service delivery areas. I might say, from at least my travels around the State, that that very difficult task was handled exceedingly well, that there is a great deal of satisfaction, and I believe that the service delivery areas in Indiana are very reflective of the geographic and the labor market forces that we have within our State.

The Job Training Partnership Act was designed to help those individuals that certainly need our help, and we have a new situation and one that I know that the Lieutenant Governor has been immensely interested in and has paid a lot of attention to, and that is our Dislocated Worker Program in Indiana. This is a new training program from the Federal perspective, because in the past, the CETA Program was geared only to those that were economically disadvantaged and who net the economic needs test.

I do not want to underestimate the importance of getting the programs to the economically disadvantaged. That still is the priority of the program and where most of the moneys in fact are spent, but we do have a situation where we have dislocation, and workers that, through no fault of their own, do not have a job. It is incumbent upon us to search for ways to develop training and skill development for those individuals so they can become productive.

People in fact want to work. They want to have a job. They want to go out and to put in their time, and to provide for their families.

I believe over this year, and hopefully the years to come, that we will find that this Job Training Partnership Act has in fact met many of its goals. But that is what we are going to find out today, and throughout the six hearings that I am going to conduct in the State of Indiana.

We are going to see how the program is in fact working, perhaps what kind of accommodations, what kind of changes that we should be making.

I might point out that the Job Training Partnership Act has now been in effect for 1 year, the first full program year, as a matter of fact, ends today, July 1. This is the anniversary. We will be starting on the second year and I think it is time that we get out and find out exactly how it has been going over the course of the year, and what kind of improvements, what kind of changes that we can make, because we are all interested in serving the people, and particularly those that need our help and would not have this opportunity otherwise.

So with that opening statement, it is my pleasure to once again welcome our No. 1 citizen in the State of Indiana, the person that has been very much at the forefront on constructing and crafting the Job Training Partnership Act, and how it is going to be implemented in Indiana, and to welcome him back to our committee hearings, thank him for his testimony in the past and look forward to his statement here today. Governor Orr, welcome back.

STATEMENT OF THE HON. ROBERT D. ORR, GOVERNOR OF THE STATE OF INDIANA, INDIANAPOLIS, IN; AND HON. JOHN M. MUTZ, LIEUTENANT GOVERNOR, STATE OF INDIANA, INDIANAPOLIS, IN

Governor ORR. Thank you, Mr. Chairman. It is my pleasure to be here reinforcing the good work that you are doing in connection with JTPA and that you have done now for 4 years, in making it an important element of our governmental operation.

When Congress wisely discontinued CETA and replaced it with the Job Training Partnership Act, what they really did was to challenge the Nation to find more creative, dynamic ways to prepare the unskilled and underskilled for employment.

The fallout from the 1981-83 recession, and from the fast-breaking technological changes that were taking place, produced an equally important challenge, the retraining of the displaced worker, as you yourself made mention a few moments ago.

In my brief remarks today, I hope to make three main points. The first of these is that I believe Indiana has answered these challenges, perhaps better than other States. Second, that job training and the JTPA are critical to our future. We should therefore take a long-term view toward that future. Economic cycles produce dislocation in employment but even more critical are the dramatic changes in the workplace which will necessitate continuous revisions in training techniques. This will be with us for a very long time to come.

And that third, in answering Congress' challenge, we have made JTPA an integral part of our overall economic development plans.

It is not just another Federal Government Program working outside the influence or authority of State government. In fact there is a vital linkage between JTPA and Indiana's economic development plans.

Our State has a clear policy centered around the notion that human resource development and economic development go hand in hand and JTPA has stimulated that.

It is a program tailor made for such a tradition, and those responsible for it are to be commended for their creativity and legislative skill.

Lieutenant Governor Mutz will deal with these points in greater detail during his testimony. He and I have responded to JTPA's challenge with State and local initiatives which demonstrate that we do have this long tradition of a relationship between the public and private sector.

For the first time the private sector has been allowed a major voice in training decisions, and given our experience in tapping private sector resources, it should be no surprise that Indiana has been able to make the transition from CETA to JTPA smoothly and successfully. Credit for this smooth transition must go to careful planning by the responsible agencies in State government, to effective implementation by the Indiana Job Training Coordinating Council, to local private industry councils, to local elected officials, and to the staffs of State Coordinating Agencies, all on a continuing basis.

Before I go any further in my testimony, I want to make it clear that any suggestions or criticism I might offer does not detract from my overall admiration of the Job Training Partnership Act. We simply want to see a great act made even better.

I would like to share with you a few examples of how we have attacked one particular problem, that of youth facing multiple barriers to employment, in particular females, minorities, handicapped individuals, offenders and high school dropouts.

The Indiana Office of Occupational Development addressed the problem by soliciting possible solutions from all 17 of our service delivery areas. Four worthy projects were selected and implemented with JTPA grants totalling $635,000.

I have in my testimony listed all four of those. I will not go into them in detail since they are available for your review. We have listed examples of public-private sector cooperation fostered by Job Training Partnership Act and reaching those most in need. I want to emphasize retraining, now and in the future.

The Great Lakes States, including Indiana, have been harder hit and more permanently affected than the rest of the Nation by the recent recession by a technological change in manufacturing processes and by severe competition by foreign producers.

Suddenly, the retraining of skilled workers, many displaced permanently by events beyond their control, moved to a top priority of State responsibility. Men and women who had never been unemployed in 20 or 30 years found their services and their skills no longer needed.

The training of such demoralized people has become a significant element of JTPA in Indiana, and more necessary than was probably ever contemplated as the act passed through Congress.

It is splendid testimony to JTPA that it has been sufficiently flexible to deal with this unanticipated and vexing problem with some measure of success.

It is essential to point out, however, that an updated JTPA must assure much greater flexibility for such purposes. Indiana's training and retraining needs vary substantially even within the State as well as differing markedly from those of other Great Lakes States. They can be in dramatic contrast with the needs of States elsewhere in the country. Congress must take the requirement for maximum State and local flexibility fully into account in the renewal of JTPA. You can trust us,. as you have found out, at the State and local levels, to accommodate to the need.

Matching of State funds with Federal funds for retraining of dislocated workers was stipulated in the original JTPA. The Indiana legislature provided matching funds. Continue that concept as you contemplate possible additional Federal funding to meet dislocated worker retraining needs.

Based on recommendations by the Indiana Job Training Coordinating Council, Indiana did allocate State and JTPA funds for dislocated workers in all of the 17 service delivery areas, thereby increasing local autonomy in job-creating decisions.

We did this because we recognize that local representatives had the best idea of how the money should be used. They know who is most in need in the SDA's and who can best be served.

In the biennial fiscal period just ended, Indiana committed an additional $2.4 million annually in State funds to supplement the Federal funds for displaced workers.

Although Indiana received $9.6 million in Federal funds to help some 5,732 dislocated Indiana workers since JTPA began, that number actually only dents the overall need. Our economic transition is nowhere near complete, and unprecedented technological changes in manufacturing processes will continue unabated into the far distant future.

Let me emphasize a bit that we have placed efficiency high in our priority list, because in addition to productive implementation and distribution of JTPA funds, we have taken steps to increase efficiency.

At the request of many of our SDA's, we have implemented a policy permitting concurrent participation in all titles and title subparts without reentering applicant information.

This was done with an eye toward reducing paperwork, promoting retention of individuals who might otherwise be lost to services, concentrating funds on training instead of wasting them on overhead, and providing more flexibility in local program design.

We believe we have made significant progress in minimizing paperwork and allowing more local flexibility in developing service strategies.

Translate that to say we prefer to allocate funds to training workers than to supporting administration. Perhaps JTPA, renewed, can emphasize these characteristics.

We will continue to be responsive to the needs of our service delivery areas, the private sector, the State agencies, and the public, to ensure efficient productive services to those in need of education, employment, and training. We are committed to JTPA because it works, and we are also committed to JTPA because it fits into our overall scheme of economic development.

It also looks to the future, which puts it in step with our State plans. The 21st century is a mere 15 years away. It is critical that all of our training decisions, those made in Indiana and Washington, are made with a very different future in mind.

Changes in technology mean products will have shorter life cycles, and of course the processes by which these products are made will have shorter life cycles as well.

This will have staggering ramifications for the work force, which will have to adapt to changes in products and the ways in which they are produced.

Gone forever are the days when you could train a man or a women to be a welder at age 20 and expect them to use those skills until they retired.

Keep in mind that in this example we are talking about someone who has an employable skill. The technological revolution will have a serious enough impact upon those persons and put an extra emphasis on job training programs in general.

The experts agree that workers will have to be retrained constantly in our high technology future, maybe even seven or eight times in a lifetime. But if the technological revolution poses problems for the skilled worker, what does it hold in store for those whose access to the job market has been blocked until now by a lack of training and education, or by their sex, race or creed?

If things were tough for these people in the past, they will be even tougher in the future. But will they? I am an optimist. I think JTPA can do it.

I am furthermore devoting heavy effort to improving education in our schools. Fully literate adults will be far better able to adapt to rapid change in our high technology environment. They will be made more trainable in our schools.

We seek to reduce dramatically those traditionally excluded members of our work force who lack basic education. Advancing technology means that the doors of employment opportunity will be opening constantly in the lifetimes of most people.

In order to accommodate worker retraining, they had better be literate workers. If we can but prepare the economically disadvantaged but literate person with proper skills, the job opportunity doors of the 21st century are bound to open for many who have historically, up to this point, been locked out early in life.

That is why JTPA is so critical to Indiana's future and our country's future. That is why better schools are essential to the changing demands of future employment. People must possess basic skills and we must prepare to provide massive retraining when those skills are no longer quite useful.

The critical linkage between JTPA and our overall economic development program should be obvious. Indiana's program does not fit the classic model of economic development packages usually highlighted by financial incentives and other more traditional steps to make a State more attractive to business.

Instead, our full program under Lieutenant Governor Mutz's leadership goes one step further to encompass human resource development, thus putting a program like JTPA on the cutting edge of a revolutionary era.

As chief executive officer of this State, I ask that Congress continue to support JTPA and increase funding for it as you go along. Our future depends upon it.

So, in other words, keep up the good work, Senator Quayle. Thank you.

[The prepared statement of Governor Orr follows:]

GOV. ROBERT D. ORR
Statement for Sen. Quayle's JTPA oversight hearing.
July 1, 1985

When Congress wisely discontinued CETA and replaced it with the Job Training Partnership Act, what they really did was challenge the nation to find more creative, dynamic ways to prepare the unskilled and underskilled for employment. The fallout from the 1981-83 recession and technological change produced an equally important new challenge: retraining displaced workers.

In my brief remarks today, I hope to make three main points:

First, that Indiana has answered those challenges, perhaps better than other states.

Second, that job training and the JTPA are critical to our future. We should therefore take a long-term view toward the future. Economic cycles produce dislocation in employment, but even more critical are the dramatic changes in the workplace which will necessitate continous revisions in training techniques.

And third, that in answering Congress' challenge, we've made JTPA an integral part of our overall economic development plans.

JTPA is not just another federal government program working outside the influence or authority of state government. In fact, there is a vital linkage between JTPA and Indiana's economic development plans. Our state has a clear policy centered around the notion that human resource development and economic development go hand-in-hand. JTPA has stimulated that policy.

Lt. Gov. John Mutz will deal with this point in greater detail during his testimony to follow.

We've responded to JTPA's challenge with state and local initiatives which demonstrate Indiana's long tradition of cooperation between the public and private sectors.

JTPA is a program tailor-made for such a tradition, and those responsible for it are to be commended for their creativity and legislative skill in guiding it through the Congress. JTPA is a refreshing change from the inadequate CETA program of years past.

For the first time, the private sector has been allowed a major voice in training decisions. And, given our experience in tapping private sector resources, it should be no surprise that Indiana has been able to make the transition from CETA to JTPA smoothly and successfully.

Credit for this smooth transition must go to careful planning by the responsible agencies in state government, to effective implementation by the Indiana Job Training Coordinating Council, to local private industry councils, to local elected officials and to the staffs of state coordinating agencies.

Before I go any further in my testimony, I want to make it clear that any criticism I might offer does not detract from my overall admiration of JTPA. We simply want to see a great bill made even better.

TRAINING THE DISADVANTAGED

Time prevents me from explaining our success in any great detail, but I'd like to share with you a few examples of how we've attacked one particular problem; that of of youths facing multiple barriers to employment. In particular, females, minorities, handicapped individuals, offenders and high school dropouts.

The Indiana Office of Occupational Development addressed the problem by soliciting possible solutions from all 17 of our service delivery areas. Four worthy projects were selected and implemented with JTPA grants totaling $635,000.

Here in Indianapolis, Marion County was awarded $209,114 to serve 30 minority high school dropouts in a joint venture between the local private industry council and community action agency. The youths are being provided academic and vocational skills training in addition to work experience in carpentry and related occupations.

In our Madison-Grant SDA, which includes the industrial cities of Anderson and Marion, 28 minority high school dropouts are benefitting from a $95,000 grant to provide them with competency training, remedial education and job-seeking skills. On-the-job training and try-out employment also are available.

In St. Joseph County, which includes the city of South Bend, 80 minority dropouts are being provided computer-based learning materials to train them for passing the General Equivalency Degree (GED) exam. The $189,000 grant also provides vocational training and assistance in finding entry-level jobs.

And in the Southwest Indiana SDA, which includes the city of Evansville and four rural counties, 50 minority offenders are being given remedial education, skills training and job placement in businesses within the Urban Enterprise Zone. This the result of a $142,000 grant.

These are all examples of public-private sector cooperation, fostered by the Job Training Partnership Act and reaching those most in need.

In addition to productive implementation and distribution of JTPA funds, we've taken steps to increase efficiency.

At the request of many of our SDAs, we've implemented a policy permitting concurrent participation in all Titles and Title subparts without re-entering applicant information. This was done with an eye toward reducing paperwork, promoting retention of individuals who might otherwise be lost to services, concentrating funds on training instead of wasting them on overhead, and providing more flexibility in local program designs.

RETRAINING -- NOW AND IN THE FUTURE

The Great Lakes States, including Indiana, have been harder hit and more permanently affected than the rest of the nation by the recent recession, by technological change in manufacturing processes, and by severe competition from foreign producers.

Suddenly, the retraining of skilled workers, many displaced permanently by events beyond their control, moved to a top priority of state responsibility. Men and women who had never been unemployed in twenty or thirty years found their services and their skills no longer needed.

The training of such demoralized people has become a significant element of JTPA and more necessary than was probably ever contemplated as the act passed through Congress.

It is splendid testimony to JTPA that it has been sufficiently flexible to deal with this unanticipated and vexing problem with some measure of success. It is essential to point out, however, that an updated JTPA must assure much greater flexibility.

Indiana's training and retraining needs vary substantially even within the state, as well as differing from those of other Great Lakes states; they can be in dramatic contrast with the needs of states elsewhere in the country. Congress must take the requirement for maximum state and local flexibility fully into account in the renewal of JTPA.

Matching of state funds with federal funds for retraining of dislocated workers was stipulated in the original JTPA. The Indiana Legislature provided matching funds. Continue that concept as you contemplate possible additional federal funding to meet dislocated worker retraining needs.

Based on recommendations by the Indiana Job Training Coordinating Council, Indiana did allocate state and JTPA funds for dislocated workers to the 17 service delivery areas, thereby increasing local autonomy in job-training decisions.

We did this because we recognize that local representatives have the best idea of how the money should be used. They know who is most in need in their SDAs and who can best be served.

In the biennial fiscal period just ended, Indiana committed an additional $2.4 million annually in state funds to supplement the federal funds for displaced workers. Although Indiana received $9.6 million in federal funds to help 5,732 dislocated Indiana workers since JTPA began, that number only dents the overall need. Our economic transition is nowhere near complete, and unprecedented technological changes in manufacturing processes will continue unabated into the far-distant future.

EMPHASIS ON EFFICIENCY

We believe we have made significant progress in minimizing paperwork and allowing more local flexibility in developing service strategies. Translate that to say we prefer to allocate funds to training workers than to support overhead. We'll continue to be responsive to the needs of our service delivery areas, the private sector, state agencies and the public to ensure efficient, productive services to those in need of education, employment and training.

We're committed to JTPA because it works.

TRAINING INTEGRAL TO ECONOMIC GROWTH

We're also committed to JTPA because it fits into our overall scheme of economic development. And it also looks to the future, which puts it in step with our plans.

The 21st Century is a mere 15 years away. It is critical that all of our training decisions -- those made in Indiana and Washington -- are made with a very different future in mind.

Changes in technology mean products will have shorter life-cycles. And, of course, the processes by which these products are made will have shorter life-cycles, as well.

This will have staggering ramifications for the workforce, which will have to adapt to changes in products and the ways in which they're produced. Gone forever are the days when you could train a man to be a welder at age 20 and expect him to use those skills until he retired.

Keep in mind that in this example, we're talking about someone with an employable skill. The technological revolution will have a serious enough impact upon him, and put an extra emphasis on job training programs in general. The experts agree that workers will have to be retrained constantly in our high-tech future. Maybe even 7 or 8 times in a lifetime.

But if the technological revolution poses problems for the skilled welder, what does it hold in store for those whose access to the job market has been blocked up until now by a lack of training and education, their sex, race or creed? If things were tough for these people in the past, they'll be even tougher in the future.

But will they?

BETTER SCHOOLS CAN MAKE THE DIFFERENCE

I am an optimist. I am furthermore devoting heavy effort to improving education in our schools. Fully literate adults will be far better able to adapt to rapid change in our high-tech environment. We seek to reduce dramatically those traditionally excluded members of our workforce. Advancing technology demands that the doors of employment opportunity will be opening constantly in order to accommodate worker retraining, and they had better be literate workers.

If we can but prepare the economically disadvantaged but literate person with proper skills, the job opportunity doors of the 21st Century are bound to open for many who have historically been locked out early in life.

That's why JTPA is so critical to Indiana's future and our country's future. That's why better schools are essential to the changing demands of future employment. People must possess basic skills -- and we must prepare to provide massive retraining when those skills are no longer useful.

The critical linkage between JTPA and our overall economic development program should be obvious. Indiana's program doesn't fit the classic model of economic development packages, usually highlighted by financial incentives and other more traditional steps to make a state more attractive to business. Instead, our full program, under Lt. Gov. Mutz' leadership, goes one step further to encompass human resource development, thus putting a program like JTPA on the cutting edge of a revolutionary era.

As chief executive officer of this state, I ask that Congress continue to support JTPA and increase funding for it. Our future depends upon it. Keep up the good work Senator Quayle.

Senator QUAYLE. Thank you very much, Governor.

Now we will turn to his capable partner in State government and one that is in charge of commerce, and has a lot to do with the actual implementation of the Job Training Partnership Act, to get his perspective, Lt. Gov. John Mutz.

Lieutenant Governor MUTZ. Senator Quayle, thank you very much. We have a prepared statement and I would hope that you might add it to the record. I want to make a few points from that statement in the interest of time, hoping that we could hit the things that may be of most importance as you consider changes and amendments, and plans for the future.

Senator QUAYLE. Your entire statement will be put in the record and you can go ahead and highlight the points you desire.

Lieutenant Governor MUTZ. Senator, I know it is no secret to you, that at least in terms of average employment figures, Indiana has finally come back. Just last week, employment security in Indiana released the unemployment statistics for our State for the month of May, and for the first time since 1979 now, we have set an all-time record for employment in this State, some 2,541,400 people are now at work. That is 21,500 more people than were at work at the all-time high in June 1979. Unemployment in the State has dropped to 7.8 percent, which puts us just five-tenths of 1 percent above the national figures.

And so if you were to look at those average figures, I think you could say we have made substantial progress. Without any question, the Job Training Partnership Act has played a significant role in the success that we have enjoyed to date.

But as Governor Orr said in his remarks, the transition goes on. Almost weekly, we continue to get reports, mature industries in this State who report that they are cutting back on the number of employees or that they are considering an optional location in which to do their particular manufacturing job.

The most recent was of course the layoff of some 1,500 people at Cummins Engine in Columbus, IN. The steel industry clearly has not yet shared in the benefits of recovery and those are samples that the averages do not show when we begin to look at the State as a whole.

Now what that tells me, of course, is, that the displaced worker portion of JTPA becomes even more important as we move into this transition period than it was in the early stages.

It is particularly true in a mature State like Indiana which is making the transition in a rather dramatic way, not quite the same thing you would find in the Sun Belt, for example, where a good deal of the employment there is in new industries and newly added employers, and so there is a definite difference in terms of locale across these United States, and that is one of the reasons that we urge you to consider a greater amount of funding, an emphasis on what you referred to, and what you pioneered, really, the Displaced Worker Program.

It is a very good program. It works when it is in place but it is not, at this time, large enough to do the job in the industrialized Middle West.

Now in saying all of these things, one of the questions that I am most frequently asked when I go around the State to talk with workers in industries, and also, with those who serve on local private industry councils, and the quote is always something like this.

It really does not do any good to train somebody unless there is a job waiting for them after that training is complete.

Now that brings me to what I consider to be a major suggestion for you and your committee to consider in the next 2 years, this year and next.

That suggestion is the transfer of the administration and the revenue-funding source for the employment security system from the Federal Government to the States.

This particular system is referred to as devolvement, which of course is a term I guess dreamed up in Washington, DC to describe another kind of system in which we move the mechanics and the money closer to where the needs are.

I think the two things that would most recommend this kind of a proposal are the proximity of the administrators. That is, in 46 employment security offices, for example, in Indiana, together with the compatibility of these two systems.

Just for a minute, let me tell you a story that occurred to me personally just last week. I was in Kokomo, IN in the employment security office.

It happens that we have moved aggressively in this State over the last several years to combine the efforts of JTPA and all of its aspects at the local level, the local Private Industry Council and those who administer it, and the employment security division.

In Kokomo, these two entities share the same office building. The new computerized job-matching system is right next to the JTPA administrators.

It is possible for us, for example, to tell a potential individual in a displaced worker retraining program, this is an example of the number of job opportunities in a given field.

If you want to be a welder, if you want to do a computer program training program, here is what is available, right today, in this part of Indiana, or in the State as a whole. By the same token, we can tell a potential employer who wants to move to Indiana, or expand in Indiana, here are the number of people with this kind of training, by name and by Social Security number, and by telephone number, who fit your needs.

In other words, what we are saying is, that employment security and its job placement service, and the JTPA Program are perfect neighbors.

They are extremely compatible in terms of how they serve each other and they provide that second step, and that is, are we training people for the jobs of the future?

Are we actually suggesting to them that their opportunity lies in places we could identify and quantify? Now in addition to that, this program is one which, in our opinion, would be more efficiently managed at the State level.

In Indiana for example, roughly 53 percent of all of the dollars that are collected from employers come back to Indiana.

We could certainly do a lot with the other 47 percent that is involved in that particular equation. So what we are talking about here is a tremendous opportunity to do a very creative kind of combination at the local level.

Now to return to the JTPA Program, let me summarize what our major suggestions are. That of course is a major innovation and a major change that would probably take several years to implement.

First of all adequate funding, particularly for the displaced worker program is a thing that we would like to emphasize, both the Governor and I.

Second, consistent statutes and regulations. Example in point. The Social Security system, at the present time, was recently amended.

This amendment permits a 6-month exclusion of a dependent child's income derived from a JTPA Program in the calculation of the AFDC grant.

Dependent child is defined as anyone 17 years old or younger. However the age limit is proving to be a significant barrier in recruiting the 18- to 21-year-old AFDC recipient to JTPA, since the purpose of JTPA is to reduce welfare dependency, an expansion of this exclusionary clause to cover youth under the age of 22, would more closely link JTPA and the AFDC Program.

It is a technical point and yet extremely important if you are talking about a family situation where these traumas are occurring.

So that is an example of consistent statutes and regulations. And then finally, the third is compatible performance criteria. A recent Department of Labor recommendation which severely curtailed the Governor's ability and my ability to insist that we in fact get the kind of benefits from this program that we would like to have in this program, and to ensure you, as Members of the Congress, that the laws you pass are actually accomplishing what you intend them to do, and that the money that you provide is actually getting to the place where you want it to go.

In short, the three things we are talking about in terms of the short-term for JTPA are adequate funding, consistent statutes and regulations, and compatible performance criteria.

In the long run you could do an enormous service to the job placement programs of this country, if we could combine the resources and assets of JTPA and the Employment Security Division, both the unemployment compensation section and the job placement section. Thank you.

[The prepared statement of Lieutenant Governor Mutz follows:]

Testimony by Indiana Lt. Governor John Mutz
Director, Indiana Dept. of Commerce
Hearings of the
Employment and Productivity subcommittee
U.S. Senate Labor and Human Resources Committee
Indianapolis, Indiana
July 1, 1985

Good morning.

You have picked a timely moment to take a look at the Job Training Partnership Act in Indiana, because our state has reached an all-time high in the number of people who are employed.

Indiana has emerged from the depths of one of the worst recessions in history. In the past few years, we have seen the economic future of the midwest all but written off.

But the books haven't been closed on Indiana or the middle west. In May, employment in Indiana set an all-time record of two million, 541-thousand, 400 (2,541,400).

That beat the previous high of two million, 519-thousand, 900 (2,519,900) in June, 1979.

Make no mistake about it, Indiana is back. Some of the credit should go to JTPA, our state training programs and other economic incentives offered in our Orr/Mutz Economic Development Package. Also, credit is due to many local communities who invest extraordinary efforts and resources in their own futures.

But most of the credit goes to the imagination and resilience of Indiana people.

They are the reasons why Indiana's unemployment rate dropped to 7.8 percent in May, while the U.S. average stood still at 7.3. We are gaining, and we don't intend to let up now.

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Nor can we afford to.

In the past two weeks, Cummins Engine in Columbus laid off 1,500 workers. And, H.H. Robertson Company threatened to close its Connersville plant, eliminating the jobs of 350 people.

These recent announcements, and the long-term problems of steel companies, other heavy manufacturers and farmers make it crystal clear that our biggest challenges are just beginning.

States can face these challenges only with the help of the federal government. But help should stop at the front door, and not come on in the house and make itself home.

I want to commend Senators Quayle and Kennedy for crafting the Job Training Partnership Act. This statute and its accompanying regulations as amended by the Carl Perkins Vocational Education Act offer prime opportunity for each state to build an effective response to its unemployment and underemployment challenges.

We consider the administration of Indiana's JTPA program a model that other states may wish to consider.

We feel that the success of the Indiana JTPA program is an illustration of the effectiveness of state and local control within broad federal guidelines and with federal financial support. The states are close enough to know the problems and concerned enough to care.

That observation brings me to our principal proposal; The transfer of employment security from a federally run program to a state run program.

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State authority for job training and job placement

Hoosiers have always been a self-sufficient breed. We think combining job training with employment service as functions of state government will give each state a complete job service for its citizens. To accomplish this, Indiana strongly supports the concept which is known as "devolvement" as it relates to the employment service.

No bill has been introduced covering the specifics of devolvement, but we understand the concept to mean that states would levy their own taxes to support the administration of the employment service.

We see several advantages to placing employment service and job training under the jurisdiction of the states. The major two advantages are the proximity of state government and the natural compatibility of these two roles of government.

Proximity

State governments are closer to people than the federal government. Any changes in employment security and, for that matter, the JTPA program, should re-enforce the idea that the states know best how to serve their citizens.

Compatibility

State control over employment service and job training will be an incentive for states to combine those two missions. They seem like natual allies. In Indiana, we've taken the attitude that our Office of Occupational Development, which administers the JTPA program, should work together with the Employment Security Division and our economic development program.

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In other words, we tie together job training with job placement because we believe it does no good to train people for jobs that do not exist.

To make sure employment follows training, a series of structural and staff changes have been instituted that improve coordination of services and link the responsibilities of vocational education, training and employment to the Orr/Mutz economic development package.

As lieutenant governor, I was given line authority early this year for the activities of the Employment Security Division and the Indiana Office of Occupational Development. Each of these agencies has significant job training functions and are intimately involved with our job creation efforts. A new umbrella agency, Job Training Services, will coordinate the use of the resources of employment security and occupational development to ensure they have a greater role in economic growth programs.

Indiana's economic development programs are administered by the Department of Commerce, which I direct.

Right now, staff members of all these agencies are jointly reviewing the policies of our training and employment systems. They will be revised as necessary to insure consistent application. Technical assistance and training will be offered to promote understanding of the joint planning concept. And agency regions will be realigned to conform to one state layout.

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IOOD and ESD and preparing local staff members for the needs of joint operation. The two agencies are presenting on-site training to local staff in labor market information and demographics. This knowledge is imperative to a joint assessment of the needs and resources of each area.

I'll give you a brief example of how Employment Security and Occupational Development are already working together.

Indiana is applying some of its federal money to setting up a statewide job bank that is accessed by computer. That seems logical in this day and age, but Indiana is one of only two states that is doing it. By the end of the year, every Employment Security Division office in Indiana will have the ability to match an unemployed person's skills with job availabilities in the area or statewide. Job seekers can enter the system to look for work, and employers can enter the system to look for potential employees.

In Kokomo, where this computer job-matching system has been running for about a month, the Employment Security Division and the Office of Occupational Development occupy the same office.

I was there the other day, and I can tell you that the staff of that office feels their ability to help clients has been enormously expanded. They can now use the most advanced information system available as part of a close working relationship between the two agencies and each person who needs training, a job, or both.

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So, the proximity of state government to its people and the natural compatibility of training and employment service are two reasons why Indiana supports devolevment.

A third reason is that we think many states can save money, or get more use out of their money, by administering their own employment service programs.

It's a simple matter of efficiency.

For example, Indiana gets back only 53 percent of the employer taxes it collects and sends to Washington. We could do a lot of good with that other 47 percent.

We see devolvement as a continuation of a process that is now several years old. So far, we like the shifting of key responsibilities from the federal level to state government. Clearly the intent behind the shift is to vest more autonomy in each of the states. The outcome is more creative state level problem-solving. Yet, without all the required tools, a state cannot fully claim its autonomy.

As Congress continues to shift more responsibility to the states, we urge you to make sure the states have the tools to build a JTPA program that will meet the test of a challenging future.

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They include:

-- Adequate funding. Even the best intentions need to be financed with sufficient fiscal resources. Federal stipulations tend to reduce the tight resources that are made available to us. We need more money, and the freedom to apply it where we know it will help the most. If funding is reduced in the near future, the states will be hamstrung in their ability to respond to major dislocations.

-- Consistent statutes and regulations. There are many instances where one set of federal requirements conflict with another set. The recent amendment to the Social Security Act is an example. This amendment permits a six month exclusion of a dependent child's income derived from a JTPA program in the calculation of the AFDC grant. Dependent child is defined as anyone 17 years old or younger. However, the age limit is proving to be a significant barrier in recruiting the 18 to 21 year old AFDC recipient to JTPA. Since the purpose of JTPA is to reduce welfare dependency, an expansion of this exclusionary clause to cover youth under the age of 22 would more closely link JTPA and AFDC.

- Compatible performance criterion framework. State governors must have the authority to establish criteria for funding agencies and sanction and reward grantee performance. This authority would be limited by proposed changes in Department of Labor policy.

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These tools are important. But in the closing moments available to me, I want to sweep away the talk of red tape and regulations, and look at some of the people involved.

As the state officer in charge of training, employment and economic development programs in Indiana, I know the relationship between public assistance and economic growth cannot be understated. We all know that training is costly, but not so costly as the long term effect of public aid on the human spirit. Indiana service delivery areas are working closely with our public welfare offices to identify and train AFDC recipients.

About 16 percent of those who complete JTPA training are welfare recipients. We have achieved this level by combining JTPA, WIN and AFDC resources. A glowing example of what this success means was witnessed at the November public hearings of the Indiana Job Training Coordinating Council. At these hearings, a young welfare mother related the personal sense of accomplishment she felt upon securing her first job. Additionally, she expressed great appreciation for the encouragement and support she received from the staff of the Work Incentive Program in which she received training. Once a recipient of public aid, she is now earning $7.61 per hour as the first female machine operator in her plant.

Assisting individuals who are unemployed as a result of plant closings is also a top priority in Indiana. In many cases, farmers, steelworkers, auto workers and other need some type of assistance in re-entering the labor market.

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A lot of them don't even like to ask for help. But they need new skills, and we have developed several state programs to help these productive people get back to work.

One of the more significant steps taken to address the needs of dislocated workers has been the allocation of roughly half the state's Title III federal formula dollars to Indiana's 17 service delivery areas. Last year, the state formula allocated two million, four thousand, 385 dollars ($2,004,385) to the service delivery areas. This year, the total will be two million, 137 thousand, 891 dollars ($2,137,891).

By giving half the state Title III money to the 17 service delivery areas, local decision making is enhanced and local dislocated worker needs are more immediately identified and addressed.

The state is also allocating part of its federal job training dollars to special programs for farmers and steelworkers. They helped make Indiana a great state, and they will continue to do so.

In summary; I want to urge you to pay close attention to the people you will hear in this series of meetings across the state. We will also be listening, because you will be hearing concerned Hoosiers talking about earning a living. The freedom to earn a living, and the ability to train oneself for a better job form the strong foundation of Indiana's economic development program.

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The real success stories in Indiana's economic recovery are the 20,000 Hoosiers who are getting and holding better jobs because of their participation in federal and state training programs.

The best spokesmen are the people themselves.

Here are some excerpts from letters written by participants in a classroom training program in Madison County;

-- A 35-year-old recovering alchoholic who had exhausted his unemployment insurance benefits writes; "Because of this program, I feel more confident of where I am going and goals that I want...I feel that I will be able to be a more effective worker and contribute more to the work place and the community."

-- A 32-year-old woman writes; "Going to school has given me a reason for living. I think this is the greatest thing that has ever happened to me."

Those are the people we need to remember every time we think about the future of federal and state job training programs.

Thank you.

Senator **Quayle**. Thank you very much, Lieutenant Governor, and first, I just want to note for the record, the way that Indiana has handled the Job Training Partnership Act has been a real model for the rest of the country. I think we are one of the first that established our SDA's. We were one of the first that set up an effective Dislocated Worker Program and we have had fewer problems in getting the transition from JTPA, from CETA, than any other State in the Union. Your leadership, the both of you, is the main reason that we have been successful in that area.

Let me just ask one question and comment on the suggestion that Lieutenant Governor Mutz made about returning the employment security system, the administration part of it, to the States, which I quite frankly find attractive.

Because what I have been looking at as somewhat of a follow-on to the Job Training Partnership Act, is how can we get more effective administration and coordination of all those entities that deal with employment at the Federal level?

And when you look at employment, you do not just stop with JTPA. You have got to look at the employment security system; you have got to look at the vocational education system; you have got to look at the rest of your education system as well.

Later on this summer, this fall, I will examine how to improve coordination and private sector input at the Federal level for at least three of those—employment security, vocational education and JTPA, as a concept.

But I wonder if I might ask each of you to comment on this coordination aspect, particularly between various interest groups.

We seem to get bogged down at times. You know, you have got the vocational education people, that they have got their own set agenda, you have got the education people and they have their own set agenda, and you have got the employment and training people and they have their own set agenda. As Governor and Lieutenant Governor, you must try to bring all these groups and everybody together to focus on training that individual, to get them in that productive job.

I wonder if there is anything in the act, or any aspect that we might be examining to provide a process to help you establish and continue this communication that I think is so vital, when we really get down to the nuts and bolts of the program.

Governor **Orr**. Let me attempt to answer it this way, and then I know Lieutenant Governor Mutz will have some points to add. No. 1, here in this State, we are unique in the sense that the Lieutenant Governor has the responsibility to administer the job-creating functions in the Department of Commerce as well as in his role as the Commissioner of Agriculture.

It is one where he can devote full time to it. It is not a limited or a part-time interest of the chief executive officer.

He is the chief executive officer of that responsibility and it is a very major one of State government. At the beginning of this year it seemed appropriate to add to the things that were already a part of his responsibility, those of the job training, so that JTPA and the employment security were included in the responsibilities of the Lieutenant Governor.

They naturally fit together as he has described them in his visit to Kokomo. It is something which, some way or another, if other States could follow a similar practice, and perhaps there can be some encouragement within a renewed law, to bring that kind of cooperative endeavor about, it would in my opinion help materially in bringing about the sort of innovation that is—and effectiveness, that is, I believe, one of the hallmarks of the operation here in this State.

It is terribly important in the future that we have the devolvement take place, because without it, it is not fully possible for the employment functions adequately to take place, both the compensation as well as the placement. The placement is so important and gets lost in the shuffle in most instances. We train people effectively but they are not trained on a job-specific basis. We do not know where the jobs are located.

We are working in that direction under the Lieutenant Governor's leadership and I commend you to try to think through a way by which you can influence the States to follow a somewhat similar pattern.

Senator QUAYLE. Lieutenant Governor, do you want to comment.

Lieutenant Governor MUTZ. I think the Governor covered it very well. The only thing I could add to that is that it is one of the difficult problems that face a number of States with employment security currently, is the debt that they still owe the Federal Government at the present time.

We are fortunate in Indiana, because of the Governor's leadership and previous Governor's leadership, that we do not have a debt in that respect, but the debt accrues interest at 10 percent I guess, annually, now, after the first year, and one of the incentives that could be built into such a system would be the gradual reduction of that debt through credits against the trust fund, which exists at the Federal level in employment security.

That the way that you tie that together would be that in order to qualify for those credits, you have to make these things work as one kind of an employment program rather than separate agencies that never seem to talk to each other.

We are attempting to do that here, and I am really excited about the sorts of things that are happening. The thing that Tom Miller will probably talk to you about during the panel that follows—he is our employment security director—is the implementation of our Job Matching Program.

We are one of only two States now, that actually has a computerized system in place, in which eventually, by the end of this year, we hope, every single person who has registered with the employment service will in fact be in that State computer system.

That means that you can interchangeably relate job opportunities clear across the State and by the same token, job requests by employers can be interchangeably related across the States.

Included in that program is the JTPA Program. If you look on the program, it actually says JTPA, and the kind of training that is involved

That is one of the keys that is tied to the system. The implementation of that kind of program came to us with employment security money, part of the Federal experimental money in that particular case. Again, that is a way you could encourage States to do this, by saying you have a chance to put your computer system in if you tie the two systems together in some way. That is the only thing I could suggest at this point.

Senator **Quayle**. Well, thank you very much for your testimony and thank you for your creative leadership, and I think as usual, you have given us some things to think about, and how we can perhaps get a little bit more efficient and get some, a better coordination, and we will certainly take it to heart. Thank you very much.

Lieutenant Governor **Mutz**. Senator, thank you, but I want you to know that the JTPA Program is a super program; it is one that has made a tremendous kind of a difference in how people think about it and we commend you and your associates.

Senator **Quayle**. Thank you.

Governor **Orr**. Thank you.

Senator **Quayle**. OK. Our first panel will be Mr. Glenn Grundmann, Mayor Robert Haskett, Mayor William Rose, Mr. Byron Steele, and Mr. Paul Barada.

Gentlemen, we have a number of witnesses today. If you can summarize your testimony in 3 minutes, it would be greatly appreciated. What we will do is, your entire testimony, as submitted, will be incorporated in the record. It will be a part of the record for our study and if you could highlight your points of interest within 3 minutes, I would appreciate it and we will sort of slip you a note to tell you when your 3 minutes is up. If you go a little over, fine, just sort of summarize so that we can get through and be able to ask some questions.

First on my list is Mr. Glenn Grundmann, the chairman for the North Central Private Industry Council, the manager of training and security at Delco Electronics in Kokomo. Mr. Grundmann, welcome, and proceed at your pleasure.

STATEMENTS OF GLENN GRUNDMANN, PRIVATE INDUSTRY COUNCIL CHAIRMAN, MANAGER OF TRAINING AND SECURITY, DELCO ELECTRONICS, KOKOMO, IN; HON. ROBERT HASKETT, MAYOR, CITY OF PERU, IN; HON. WILLIAM D. ROSE, MAYOR, CITY OF VINCENNES, IN; BYRON STEELE, PIC CHAIRMAN, QUALITY ASSURANCE SUPERVISOR, HOOVER UNIVERSAL, WASHINGTON, IN; AND PAUL W. BARADA, PIC CHAIRMAN, PRESIDENT, BARADA ASSOCIATES, INC., RUSHVILLE, IN

Mr. **Grundmann**. Thank you very much for allowing me the opportunity to provide some comment regarding JTPA, and I might say, in the spirit of the private sector contribution to JTPA, you will find that not only the written testimony but my verbal testimony will be short and to the point.

While serving as the chairperson to the North Central Indiana Private Industry Council, I have observed JTPA Program operations in our service delivery area, and have attended meetings and national conferences that have allowed me to interact and discuss these operations with other PIC members and chairpersons. The comments I have to make are a result of those observations and discussions. First of all, I would like to say I am very, very proud to be a part of the JTPA system. The private sector is becoming actively involved and committed to the program.

Public and private cooperation has strengthened. Programs are operating effectively. The eligible population is being served and there is renewed confidence in job training programs, contrary to some previous programs.

I believe in the philosophy upon which JTPA was built, reducing the Federal role and giving greater control to the local community players. It works.

The private sector at the local level should have a primary role in planning and delivering JTPA. Effective programs in JTPA's success requires commitment and involvement from those who have the most impact, the local employers who will be hiring trained participants.

Private industry involvement in employment and training programs was a new concept introduced by the JTPA. As with the introduction of any new concept, this most likely was, in many areas, a difficult adjustment for the employment and training sector, local government and the private sector to make.

We urge that Congress have the patience to allow the new concept to work. We have seen the success of this concept in our service delivery area, and others nationwide, and predict that success in the remaining service delivery areas will, given time, be forthcoming.

Several more specific points I would like to touch on. We certainly urge you, Senator Quayle, to advocate continued adequate funding levels for JTPA. To give you an idea as to why: Our current data indicates there are approximately 35,000 economically disadvantaged people in our six-county area.

During program year 1984, we plan to serve 1,236 youth and adults in our Title II-A Program with our current funding.

This represents less than 4 percent of the eligible population. Certainly there are many more eligible people that can be served.

Any reduction in appropriations would ultimately lessen the already limited service levels. We are requesting that you consider continuing your commitments to the preparation of the economically disadvantaged and dislocated workers for meaningful, lasting employment.

Another point we would like to cover very briefly is the current funding formula for the substate level. We had, as a result of some funding reductions, a reduction of 25 percent for our program year 1985. Other SDA's we know are suffering the same reductions. These shifts in funding have caused many problems, operational, programmatic, facilities, et cetera, and it creates some instability.

We are asking that you look at a provision, perhaps something similar to the 90 percent hold harmless provision which exists for the Federal to the State, and that formula be extended from the State to the substate level.

Another problem area that we would like to bring up is within the area of performance standards. Performance standards have a very positive influence. First of all, performance standards are an excellent way to promote community confidence.

But for the first time—and I think this is important—program performance is being measured and the community is able to see the return on its investment, unlike other programs.

But the standard with which we are specifically concerned is the average wage at placement. In our particular service delivery area, we have a very high average wage created by four large industries in one county, Howard, that has a major effect on this service delivery area. Unfortunately, these large industries have very little reason to use our service because they are in an employee recall situation.

As a result of that impact, the average wage is very high and where we are able to place the people is not in these industries. Thus, our average wage is way up and we struggle to meet that standard.

We are asking for some review of this particular performance standard so that we can do a better job in meeting this requirement since most of our entry level job placements just do not fall into the $4.73 to $5.13 per hour area range, our current standard.

We have a very rural SDA with one large metropolitan area which also has an adverse effect on this standard.

Finally I would like to make one additional comment. I believe that JTPA in our service delivery area is an effective and efficient cooperative, public/private sector effort.

This program benefits our employers, the economic development in our six-county area, economically disadvantaged youth and adults, and dislocated workers. Therefore, the community at large benefits.

JTPA assists people in entering the mainstream of American life by meaningful, lasting employment, not by creating meaningless jobs of a short-term duration.

This program deserves a continuing commitment from the local level, from the State level, from the Congress, and from the President of the United States.

Thank you again for allowing me to testify.

[The prepared statement of Mr. Grundmann follows:]

TESTIMONY BY: Glenn H. Grundmann, Chairperson
North Central Indiana Private Industry Council

FOR

OVERSIGHT HEARINGS ON THE JOB TRAINING PARTNERSHIP ACT

Indianapolis, Indiana

July 1, 1985

Thank you for allowing me the opportunity to provide comment regarding the accomplishments and future challenges of the Job Training Partnership Act. While serving as Chairperson of the North Central Indiana Private Industry Council, I have observed J.T.P.A. program operations in our service delivery area, and, have attended meetings and national conferences that have allowed me to interact and discuss with other P.I.C. members and chairpersons. My perspectives are a culmination of those observations, discussions, and interactions.

I am proud of the J.T.P.A. system to date. The private sector is becoming actively involved and committed to the program; public and private cooperation has strengthened; programs are operating effectively; the eligible population is being served; and, there is renewed confidence in job training programs. I believe in the philosophy upon which J.T.P.A. was built --- reducing the federal role and giving greater control to local community players. The private sector at the local level **should** have a primary role in planning and delivering J.T.P.A. Effective programs and J.T.P.A. success requires commitment and involvement from those who have the most impact --- local employers who will be hiring trained participants.

Private industry involvement in employment and training programs was a new concept introduced by the J.T.P.A. As with the introduction of any new concept, this may be a difficult adjustment for the Employment and Training System, local government, and the private sector to make. We urge that Congress have the patience to allow the new concept to work. We have seen the success of this concept in our service delivery area and others nationwide, and predict that success in the remaining service delivery areas will, given time, be forthcoming.

CONTINUED FUNDING

We urge Senator Quayle to advocate continued, adequate funding levels for J.T.P.A. Our current data indicates that there are approximately 35,000 economically disadvantaged people in our six county s.d.a. During Program Year 1984 (July 1, 1984 - June 30, 1985), we planned to serve 1,236 youth and adults in our Title IIA program with our current funding. This represented approximately 4 percent of the eligible population. Certainly, there are many more eligible people than can be served. Any reduction in appropriations would ultimately lessen the already limited service levels. We are requesting that you consider continuing your commitments to the preparation of the economically disadvantaged and dislocated workers for meaningful/lasting employment.

FUNDING FORMULA/SUBSTATE 90 PERCENT HOLD HARMLESS PROVISION

The current funding formula has impacted the North Central Indiana Service Delivery Area by a funding reduction of approximately 25 percent for Program Year 1985. Many other s.d.a.'s are experiencing similar or even more dramatic reductions. These shifts in funding may cause operational and programmatic impacts such as staff layoffs, loss of training facilities or equipment, termination of classroom training contracts, interrupted commitments to employers or participants. This instability reduces the community confidence in J.T.P.A. that we have all worked so hard to build. We urge you to review the current funding formula, or, at a minimum, institute a 90 percent hold harmless provision for the substate level, as is currently operating at the state level. This would provide stability in programs and services provided to participants from one year to the next.

AVERAGE WAGE AT PLACEMENT ADULT PERFORMANCE STANDARD

The introduction of performance standards into the Employment and Training System has had a positive influence on community confidence of the program. For the first time, program performance is being measured and the community is able to see the "return on its investment." In order to maintain the community confidence, it is imperative that the performance measures are based on viable data. Therefore, the North Central Indiana Private Industry Council is requesting a review of the data currently being used to calculate **all** performance standards, but especially **The Average Wage at Placement.**

It is our understanding that the calculation of this performance standard is significantly affected by the average wages of workers in all jobs covered by unemployment compensation in the North Central Indiana Service Delivery Area. The very high average wage of four (4) large industries in Howard County has a major effect on this service delivery area's average wage performance standard. These four (4) large industries have not been in a hiring mode in recent years. Any hiring that they have done has been comprised of recalls for the most part. Therefore, J.T.P.A. participants have limited opportunities to be hired by these companies.

The impact of these four major companies in Howard County has been the high average wage rate, which creates a liability for the North Central Indiana Private Industry Council when contracting with all other employers within the six (6) county s.d.a. The average wage of companies in the five (5) other counties of the North Central Indiana Service Delivery Area is much lower than Howard County. Working with companies from these five (5) lower waged counties allows many J.T.P.A. participants to be placed in employment, but not at the required performance standard of average wage at placement.

AVERAGE WAGE AT PLACEMENT cont'd

If the average wage at placement for North Central Indiana remains at its current level ($4.83 - $5.13 per hour), it will be very difficult to work with employers paying less than $4.83 per hour and still meet this performance standard. Obviously, a significant amount of employers in this service delivery area pay less than that required wage. Entry level job placements which meet both J.T.P.A. participant needs, employer needs, and the average wage at placement performance standard may not be able to be accomplished.

We believe that the data base should be structured so that a few high paying companies within one county do not negatively influence the average wage at placement performance standard for the total six (6) county area.

We urge you to review the data and calculation methods in an effort to correct these concerns.

I believe that J.T.P.A. in our service delivery area is an effective and efficient cooperative public/private sector effort. This program benefits our employers, the economic development in our six (6) county area, economically disadvantaged youth and adults, and dislocated workers. Therefore, the community-at-large benefits. J.T.P.A. assists people in entering the mainstream of American life via meaningful employment. This program deserves a continued commitment from the local level, from the state level, from the Congress, and from the President of the United States.

Thank you again for the invitation to testify.

GHG:akm

Senator **Quayle**. Thank you very much, Mr. Grundmann.

Our next witness is the honorable mayor of Peru, Mr. Robert Haskett. Mayor Haskett, go ahead and proceed at your pleasure.

Mayor **Haskett**. Thank you, Senator.

I think Glenn covered a lot there. I think what you would like to hear today is what a mayor has to say as to what is going on.

I represent the north central six counties, Ollis, Kokomo, Hard County, very strong, high wages; other five counties not so high.

The city of Peru, Miami County, lost seven factories and two major railroads. Very, very hard for young people. I talk to them every day in my office. I talk to them on the street. Every day I hear the same thing. Mayor, get me a job. Of course they always have to throw in they voted for you. But it is a point that——

Senator **Quayle**. You won by 100 percent, right?

Mayor **Haskett**. Right. What we are getting at, these people we are talking about that quit school, that somewhere along the line they got messed up. Minority groups. We have a lot of them. Handicapped. These people want to go to work.

They will work for $2 or $3 an hour. We are lucky enough to have a new industrial park. The boat company, All Seasons, is moving into Peru. In fact they are going to start hiring this week. We are talking about 200 jobs, maybe 400. But it is something that these people can get ahold of. They know about it.

JTPA is working on it right now. We have a couple more companies that are interested in Peru, because we are going out and getting them. We have to. We have to put these people to work.

We lost our major companies; we lost our railroad. We have to do something. But these people want a chance, and what we have here today is working, 100 percent.

Our chairman, and head of the industrial there, all the industrial, are for it. I go talk to them. In fact they want to add on to their buildings now. They see what is going on, that they can get some people, good people. These kids have not had a chance, some of them, and they are getting a chance, and they will tell you they are the greatest employees in the world, because they had a hard way to go. They walked the streets.

There is where the problems are today in this country. The kids that do not get a chance get into a rut of nothing but trouble. I talk to them in the jail; I talk to them anyplace. What is your problem? I can't get a job. But with programs like this working it makes a lot of things better, and I think what I am telling you, Senator, is straight, right from the heart, and it is working. Thank you.

[The prepared statement of Mayor Haskett follows:]

TESTIMONY BY: Mayor Haskett, Chief Elected Official
North Central Indiana Private Industry Council

FOR

OVERSIGHT HEARINGS ON THE
JOB TRAINING PARTNERSHIP ACT
Indianapolis, Indiana
July 1, 1985

I am pleased to be here today to present testimony regarding the Job Training Partnership Act. I thank you for the invitation.

I have had the privilege of serving as the Chief Elected Official for the North Central Indiana Service Delivery Area for J.T.P.A. since February 1984. In our S.D.A. there are twelve (12) local elected officials --- one mayor and one commissioner from each of our six counties serve as local elected officials for J.T.P.A.

The local elected officials receive monthly J.T.P.A. activity reports focusing upon programs, participant activity, job placements, financial status, and performance standards. We receive the same information as the Private Industry Council. The local elected officials meet as a group two times per year, and usually one or two local elected officials attend the P.I.C. meetings.

I believe that the concept of a public-private partnership between the local elected officials and the Private Industry Council, envisioned in the J.T.P.A. legislation, is working well in North Central Indiana.

I am pleased with how J.T.P.A. has been implemented and is being provided in our six counties. The results to date are impressive --- both in regard to the number of people placed in employment (1,044) since October 1983, and also in the s.d.a.'s meeting and exceeding its performance standards.

J.T.P.A. fills a very important function in our communities. Economically disadvantaged people and dislocated workers need the type of program being provided here. I urge its continuance at a minimum of the current funding levels. Many people come to my office in need of employment who I personally refer to the J.T.P.A. program.

I also am pleased to have the training aspect of the program available in my community. In Peru and Miami County, J.T.P.A. has had on-the-job training contracts with fifty-three (53) companies. This is not only a savings to many businesses, but it also provides opportunities for increased employment and overall economic growth. A new company named All Seasons is locating in Peru. The J.T.P.A. program and the Employment Service are working with this company, and I am very pleased with the O.J.T.'s and training provided by the J.T.P.A. This is a definite incentive in attracting new industry to the community.

The Summer Youth Program (Title IIB) is helpful to both my city and the young people who are being provided with a meaningful work experience. I have appreciated the J.T.P.A. staff's cooperation with me regarding this summer program.

I urge Senator Quayle to:

1. Support adequate funding for J.T.P.A. -- at a minimum of its current level.
2. Support a 90 percent hold harmless provision at the substate level. We need funding consistency from one year to the next. We are still serving only a small portion of the economically disadvantaged and dislocated workers in our s.d.a.

Continue to promote J.T.P.A. as a program that works because of its local control. We must, therefore, preserve and expand upon local flexility and discretion. J.T.P.A. can only keep its success through the meaningful roles and partnership of business, local elected officials and the community at large.

Senator **Quayle**. Thank you very much, Mayor.

Now from a different part of the State, from up north down to the south, from the Shawnee Trace Service Delivery Area, we have the mayor of Vincennes, William Rose. Mayor Rose, proceed at your pleasure, please.

Mayor **Rose**. Good morning, Senator. I echo the statements of my colleague, Mayor Haskett. He made some good points and those points that he made are felt in southern Indiana as well.

I am William Rose, mayor of the city of Vincennes, and chairman of the chief elected officials of the Shawnee Trace Private Industry Council. I represent nine counties.

The JTPA provided local elected officials an opportunity to work with the private sector in implementing employment and training programs in a rational and reasonable way.

Previous Federal efforts in the area of employment and training often times relied too much on public officials and public agencies in their implementation.

Therefore the success of the program was often based upon a perception of that program's efforts from a public viewpoint.

The record has shown that CETA resulted in an unacceptable level of adverse public opinion as well as, in some instances, fraud and/or abuse.

It is my opinion that the Job Training Partnership Act has greatly reduced, if not eliminated, those problem areas.

From the standpoint of a municipal official, the Job Training Partnership Act has numerous advantages. First of all, under JTPA, the time required of a public official to administer the employment and training programs has been greatly reduced, yet the administrative services have not diminished in quality.

I feel through our occupational development center, we have an excellent group of people who are extremely capable of operating a trouble-free program.

Second, it has relieved the elected officials of the responsibility of attempting to design a program of employment and training for which they do not have the required available time.

By the same token, public officials cannot be aware of the needs of the private industry as well as private industry itself.

JTPA provides us with the policy guidelines required to be of the highest level of service to the private sector. I feel that the best portions of CETA have been retained in JTPA. Most elected officials were not comfortable being responsible for providing public service jobs for large numbers of people.

However, there is a need for some support in the area of public service jobs. As members of this committee are aware, all levels of government today are feeling a financial crunch. JTPA provides us with the opportunity to augment our manpower, and at the same time, we are providing hands-on training.

Those benefiting most are economically disadvantaged people difficult to place in unsubsidized employment without a satisfactory work history, without financial resources available, so that they can go out and seek employment.

In our own instance, the work experience component, we have been able to train people. We have trained people by putting them to work with the city, and it really has worked in our area.

We have even hired some of those people because we feel that some of them have come to us and said, "Mayor, I need a job; I have two or three kids; I want to provide for them."

We have had a number of factories in Vincennes and the surrounding area close, but believe me, the JTPA, they have been working and they have been working well in our area, and I appreciate the opportunity to be here today, Senator.

[The prepared statement of Mayor Rose follows:]

STATEMENT BY WILLIAM D. ROSE
Mayor, Vincennes, IN

Mr. Chairman and Members of the Subcommittee, I am William Rose, Mayor of Vincennes and Chairman of the Chief Local Elected Officials of the Shawnee Trace Private Industry Council. I appreciate the opportunity to be here this morning and share with you my observations on the implementation of the Job Training Partnership Act.

The Job Training Partnership Act provided local elected officials an opportunity to work with the private sector in implementing employment and training programs in a rational, reasonable way. Previous federal efforts in the area of employment and training often times relied to much on public officials and public agencies in their implementation. Therefore, the success of the program was often based upon a perception of that program's efforts from a public viewpoint. The record has shown the Comprehensive Employment and Training Act resulted in an unacceptable level of adverse public opinion as well as, in some instances, fraud and/or abuse. It is my opinion the Job Training Partnership Act has greatly reduced, if not eliminated, those problem areas.

From the standpoint of a municipal official the Job Training Partnership Act has numerous advantages. First of all, under JTPA, the time required of public officials to administer the employment and training programs has been greatly reduced, yet the administrative services have not diminished in quality. I feel through our Occupational Development Center we have an excellent group of people who are extremely capable of operating a trouble free program. Secondly, it has relieved the elected officials of the responsibility of attempting to design a program of employment and training for which they do not have the required available time. By the same token, public officials cannot be as aware of the needs of private industry as private industry itself. JTPA provides us with the policy guidelines required to be of the highest level of service to the private sector.

I feel that the best portions of CETA have been retained in JTPA. Most elected officials were not comfortable being responsible for providing public service jobs for large numbers of people. However, there is a need for some support in the area of public service jobs. As members of this committee are aware all levels of government today are feeling a financial crunch. JTPA provides us with the opportunity to augment our manpower and at the same time we are providing hands-on training. Those benefiting most are economically disadvantaged people difficult to place in unsubsidized employment without a satisfactory work history and without the financial resources available to actively seek employment. In our own instance, in the work experience component we have been able to train people on road repair equipment, and they were subsequently able to find unsubsidized employment with private contractors. I can site several different instances where the cooperative efforts between the PIC and the municipalities have been a benefit both to the city in relieving its manpower needs and to the participant in finding eventual unsubsidized employment. Our city has in fact hired JTPA participants subsequent to their performance in the work experience component.

As one of the Directors of the Vincennes Area Development Corporation, I am very aware of the need for an early response to the needs of the private sector when business expansion occurs. In our area, we have had such business expansion requiring an immediate response from the ODC. The ODC provides comprehensive assistance to the employer in planning for his training needs and works with the employer to meet those training needs utilizing JTPA resources.

We have also had the unfortunate experience of plant shutdowns which have dislocated a number of workers. JTPA has, under its Title III, provided assistance in the re-training and re-employment of those dislocated workers. Without JTPA those individuals would have remained long-term unemployed eventually consuming all of their personal resources and perhaps becoming a burden to the community. Title III has enabled them to remain productive members of our community.

In summary, I would like to state that the local elected officials in the Shawnee Trace SDA have been very pleased with the performance and operation of the Private Industry Council as well as our Administrative Entity, the Occupational Development Center.

Again, I would like to express my appreciation for being afforded the opportunity to address you today. Thank you very much.

Mayor William D. Rose
City Hall
Vincennes, IN 45791

812 882-7285

Senator Quayle. Thank you very much, Mayor.

Next is Mr. Byron Steele who is chairman for the Shawnee Trace Private Industry Council. He is a quality assurance supervisor at Hoover Universal in Washington. That is Washington, IN as compared to District of Columbia.

Mr. Steele. We are the other Washington, DC, Davies County.

Senator Quayle. There you go.

Mr. Steele. I am the chairman of the Shawnee Trace Private Industry Council which serves Service Delivery Area 14. On behalf of my fellow PIC members, I would like to express appreciation to the committee for the opportunity to bring this testimony to you this morning.

I feel that I speak for the fellow PIC members when I say that we are greatly encouraged by the progress that has been made in the first 2, months of the JTPA program in our area.

Few of us have had any experience with the Comprehensive Employment and Training Act. Those members who were directly involved with the CETA program believe that JTPA is a far more effective system for delivering services to our citizens.

The most encouraging aspect of JTPA has been the cooperation and coordination fostered between the public sector of our economy and the private sector. The CETA program was seen mainly as an employment and training program designed for and controlled by public officials. This in turn fostered the belief that employment and training programs were geared to meet the needs of the public sector without regard to the needs of the private sector.

JTPA has put to rest the misconception that employment and training is best left in the hands of public officials. Our experience has shown that the needs of the economically disadvantaged worker, dislocated worker, and our youth are best served when the needs of private industry are made apparent to the public decisionmakers.

Further, maximum utilization of employment and training program funds occur when private industry has a representative voice in the disposition of those program funds.

No program is perfect and JTPA is no exception. Our administrative entity, the Occupational Development Center of Vincennes University, has discussed with the PIC three areas of concern.

These concerns focus on the administration of one, the standards set for services to dropouts; two, responsible expenditure of the 3-percent funds for older workers, and three, the provision to services to WIN recipients.

Of the total number served by our program it is required that 37 percent of that number be school dropouts. We do not feel that there is adequate documentation to substantiate the requirement of this high percentage. In fact it is doubtful that any reliable body of evidence exists which can establish a dropout rate within the population of our SDA. In discussions with other PIC chairmen, I have found this to be a problem for their administrative entity as it has been for ours.

In terms of serving the older workers with the required 3-percent set-aside funds, we have found that many of those in need of older worker services are ruled ineligible because of income guidelines.

For the most part, that income is derived from Social Security retirement benefits, survivors benefits, or other subsistence income.

While it is reasonable to include income above and beyond Social Security and survivors benefits, when determining eligibility for the program, it is felt by our administrative entity that such restrictions eliminate a substantial number of otherwise worthy recipients of our services.

In our SDA we have one county which, through its Indiana Employment Security Office, serves WIN recipients. Yet our SDA is required to provide program services to this segment of the population completely out of proportion to the actual numbers.

I have been informed that some SDA's have no WIN services and yet are required to enroll nonexistent WIN recipients. It is rather difficult to provide services to people who are not there. The general schedule of services and operational guidelines are set forth in the act, and need only minor refinements in order to maintain and remain abreast of changing needs of our economy. We would counsel no dramatic changes in the administration of the act or its component parts this early in its implementation.

These changes and alterations are best left until program operators have established their credentials within their service delivery areas.

As representatives of the private business sector, we are concerned with recent changes regarding JTPA in the State of Indiana. Our concern is to avoid the "creeping bureaucracy" that has affected the CETA Program.

It is or understanding from the act, that responsibility for JTPA implementation within a State is the responsibility of the Governor.

Recently, JTPA responsibility in Indiana was transferred from the Office of the Governor to a line agency position in the Office of the Lieutenant Governor.

It is our understanding that the Indiana Office of Occupational Development, the JTPA implementing agency of Indiana, now reports to the director of the Indiana Employment Services, then, to the Lieutenant Governor, and eventually, we assume, back to the Governor's office. We feel that adequate assurances have not been made that increasing levels of bureaucracy will not eventually affect and hamstring the JTPA Program.

I am attaching to my testimony given today, statistical evidence that the Shawnee Trace Private Industry Council through its administrative entity and grant recipient, the Occupational Development Center of Vincennes University, has an outstanding record in terms of implementing JTPA. I would particularly like to call your attention to the number of on-the-job training contracts and number of job placements that was accomplished in this rural area. We have fulfilled our mission to serve the economically disadvantaged, unemployed individuals in our SDA.

Again, thank you for the opportunity to be here today and speak on behalf of myself and my fellow PIC members.

[Information referred to follows:]

PERFORMANCE STANDARDS 05-31-85

ADULT PLACEMENT RATE:

FORMULA: 544 PLACEMENTS divided by 668 TOTAL TERMINATIONS =

ACTUAL: **81.4 %** *RANGE: 54.44 TO 63.66

ADULT WELFARE ENTERED EMPLOYMENT:

FORMULA: 40 WELFARE ENTERED EMPLOYMENT divided by 57 TOTAL WELFARE TERMINATED =

ACTUAL: **70.2 %** RANGE: 37.02 TO 43.28

ADULT AVERAGE WAGE:

FORMULA: $2,549.10 TOTAL HOURLY WAGES divided by 544 JOB PLACEMENTS =

ACTUAL: **$ 4.69** RANGE: $4.50 TO $4.82

ADULT COST PER ENTERED EMPLOYMENT:

FORMULA: $1,057,471 TOTAL EXPENDED divided by 544 JOB PLACEMENTS =

ACTUAL: **$ 1943.88** RANGE: $4,167.21 TO $5,390.61

YOUTH ENTERED EMPLOYMENT RATE:

FORMULA: 328 JOB PLACEMENTS divided by 429 TOTAL TERMINATIONS =

ACTUAL: **76.5 %** RANGE: 37.04 TO 54.54

YOUTH POSITIVE TERMINATION RATE:

FORMULA: 358 POSITIVE TERMS divided by 429 TOTAL TERMS =

ACTUAL: **83.4 %** RANGE: 67.71 TO 73.79

YOUTH COST PER POSITIVE TERMINATION:

FORMULA: $670,029 TOTAL EXPENDED divided by 358 POSITIVE TERMS =

ACTUAL: **$ 1,871.59** RANGE: $3,639.56 TO $5,259.12

*Range is established by IOOD and is based on actual characteristics of the terminees. The range figures will fluctuate monthly as the characteristics change.

07-01-84 THRU 05-31-85

IIA-ADULT PROGRAM PERFORMANCE PY'84

	DA	DU	GI	GR	KN	LA	MA	PI	SU	SDA TOTAL
NEW ENROLLMENTS	76	79	105	97	104	98	57	92	67	775
ABE	7	34	20	12	11	26	17	31	12	170
VOCATIONAL TRAINING	5	17	5	8	15	18	8	7	5	88
WORK EXPERIENCE	16	20	20	33	21	26	24	50	28	238
ON-THE-JOB TRAINING	44	48	73	46	48	41	39	46	31	416
JOB PLACEMENTS	60	68	69	62	67	78	37	59	44	544
OTHER TERMINATIONS	11	13	9	11	16	12	11	19	22	124

IIA-YOUTH PROGRAM PERFORMANCE PY'84

	DA	DU	GI	GR	KN	LA	MA	PI	SU	SDA TOTAL
NEW ENROLLMENTS	50	45	78	54	52	52	64	53	49	497
ABE	10	25	11	8	13	11	16	26	6	126
VOCATIONAL TRAINING	4	10	2	8	7	5	6	6	4	52
WORK EXPERIENCE	19	19	19	20	19	15	27	28	22	188
ON-THE-JOB TRAINING	27	32	55	27	26	29	38	26	22	282
JOB PLACEMENTS	32	32	70	35	31	46	40	21	21	328
OTHER TERMINATIONS	5	7	9	8	9	17	11	18	17	101

IIA-OLDER WORKER PROGRAM PERFORMANCE PY'84

	DA	DU	GI	GR	KN	LA	MA	PI	SU	SDA TOTAL
NEW ENROLLMENTS	8	5	4	10	10	10	4	7	8	66
ABE	0	2	1	1	1	5	1	5	0	16
VOCATIONAL TRAINING	0	0	1	1	2	1	0	0	0	5
WORK EXPERIENCE	2	2	1	4	4	6	2	4	2	27
ON-THE-JOB TRAINING	2	2	2	2	4	3	4	5	1	25
JOB PLACEMENTS	3	1	2	3	4	7	3	2	2	27
OTHER TERMINATIONS	0	3	1	3	2	0	2	2	0	13

COMBINED PROGRAM PERFORMANCE PY'84

	DA	DU	GI	GR	KN	LA	MA	PI	SU	SDA TOTAL
NEW ENROLLMENTS	134	129	187	161	166	160	125	152	124	1,338
ABE	17	61	32	21	25	42	34	62	18	312
VOCATIONAL TRAINING	9	27	8	17	24	24	14	13	9	145
WORK EXPERIENCE	37	41	40	57	44	47	53	82	52	453
ON-THE-JOB TRAINING	73	82	130	75	78	73	81	77	54	723
JOB PLACEMENTS	95	101	141	100	102	131	80	82	67	899
OTHER TERMINATIONS	16	23	19	22	27	29	24	39	39	238

Senator QUAYLE. Thank you very much, Mr. Steele.

Our last witness on this panel, from the Southeastern Indiana Service Delivery Area, Mr. Paul Barada, who is also the PIC chairman. He is the president of Barada Associates, Inc. in Rushville. Go ahead and proceed at your discretion.

Mr. BARADA. Thank you, sir. On behalf of the Southeastern Indiana Private Industry Council and our 11 county service delivery area, I would like to thank you for this opportunity to discuss the Job Training Partnership Act.

Our service delivery area is served by a 45-member private industry council and administered by a community-based organization, Ohio Valley Opportunities Occupational Development Center.

There is a popular aphorism, the origin of which is often attributed to Hoosiers, that says, "If it isn't broken, don't fix it." Most of my remarks today are in keeping with that adage.

I have seven items, however, I would like to briefly discuss. The first is the characterization that PIC's generally are not interested in designing and implementing programs for particular groups.

I can only speak for our SDA but our private industry council is very interested in developing innovative approaches for serving targeted groups. I have cited five such programs in the testimony you have, one of which has been commended by the Department of Labor, and we have plans for more.

Second, in response to those who complain that JTPA, unlike CETA, does not serve those most in need, we have prepared a chart for the committee, which is attached as the last page to the testimony.

When people use the term "most in need" they often omit "and who can benefit from the services." The numbers on the chart clearly demonstrate that more targeted, most in need persons have been served in 11 months through JTPA than were served in the best 12 months of CETA.

More have been served and placed, but not to the exclusion of others. No eligible, most-in-need person hence, who can benefit from services has, or will be denied access to them.

Third, we are particularly interested in reducing the numbers of those on AFDC in our service delivery area. AFDC recipients must have skills sufficient to make them competitive for jobs which pay significantly more than minimum wage of they are to get above the poverty level.

Section 142 of the act stipulates that JTPA allowances and earnings shall be considered as income for calculating AFDC grants.

The maximum AFDC grant for a single parent with two children in Indiana is $256 a month. People in our largely rural area who attend classroom training must travel 10 to 30 miles each way to school.

If JTPA provides needs-based payments, or other supportive services to an AFDC recipient, AFDC payments are reduced. One county welfare office calculates the tuition and books paid for by JTPA to the schools as income.

While recognizing that this situation may not apply in other States, or any other SDA's, we feel that section 142(b) is at direct odds with section 106 and urge that the reference to the Social Security Act be deleted from section 142(b).

Section 124 of the act has been interpreted to exclude application of the 10-percent wndow allowed for by section 203. Since section 203 specifically identifies older workers, we feel it should extend to those served by section 124, and Social Security retirement income not be counted as income for determining eligibility for JTPA services.

We have no particular recommendation for our fifth item which refers to dislocated workers except to reiterate the need for strategies to encourage dislocated workers to participate in training programs prior to or immediately upon layoff. One suggestion, however, is included in the testimony.

Our sixth item addresses the issue of the apparent difficulty of interesting JTPA-eligible people in longer term classroom training. The issue is invariably linked to a discussion of stipends. We believe that the stipend issue is easily resolved, especially if the reference to the Social Security Act in section 142 is deleted. We believe that redesigning technical training to make it directly applicable to local employer needs will go far to correct this problem.

Further, we believe that with encouragement and support from the States, the schools, with employer input, can do much to correct this situation.

Finally, those who crafted JTPA, and the Department of Labor, are to be congratulated for not burdening the system with the myriad regulations that crippled CETA.

It is the flexibility and discretion of JTPA that are responsible for private sector support, for the private sector support it has received.

Continuing support by the private sector therefore will be largely dependent on the extent to which local flexibility and discretion can be maintained and expanded, and the degree to which the State will continue to support local initiatives and flexibility, and the support the SDA's can expect from the Department of Labor when designing and implementing innovative programs to serve their areas. A preoccupation with audit and liability issues can have a chilling effect on creativity and production if allowed to subtly rewrite the intent of JTPA legislation.

I wish to state to you, Senator Quayle, that from our vantagepoint in southeastern Indiana, JTPA works and works very well. We believe that with your continuing support, and by maintaining the partnership, we can make it even better.

Thank you for the opportunity to have our service delivery area represented at these hearings.

[The prepared statement of Mr. Barada follows:]

TESTIMONY
BY
PAUL BARADA
CHAIRMAN
SOUTHEASTERN INDIANA PRIVATE INDUSTRY COUNCIL

Senator Qualye, Secretary Brock, Mr. Chairman:

On behalf of the Southeastern Indiana Private Industry Council and our 11-county Service Delivery Area, I thank you for this opportunity to discuss the Job Training Partnership Act. I regret that the short notice we received of this hearing precluded having our testimony to Secretary Brock and the Labor and Human Resources Committee beforehand.

Our 45-person Private Industry Council selected Ohio Valley Opportunities, Occupational Development Center (OVO/ODC) to be both the Administrative Entity and Grant Recipient for our Service Delivery Area (SDA). OVO/ODC administered the non-PSE part of the CETA program for this area under the Balance-of-State. I am, therefore, able to report on the JTPA employment and training program and at the same time compare the results against CETA.

I read the testimony provided to me by the committee with great interest--and not a little puzzlement. With our PIC, as most that were reported on, involvement and participation by the private sector has been both extensive and productive. We also, including non-business members, are interested in operating the program as a business, cost effectively and getting as many people to work as possible. We have and we are. At that point, however, we start to differ--i.e., we are very interested in designing and/or implementing programs for particular groups. Some examples: thirty-six percent (36%) of the population 16 years and older within this SDA are dropouts. We joined with an area vocational school to identify potential dropouts in their freshman year, placed them in career based education (remedial math and english directly oriented to a series (6) of occupational experiences) in their sophomore year, and directed them into vocational tracks as juniors. We currently have 267 dropouts and other out-of-school youth in 9 weeks of occupational skills training at

3 different sites, and over 110 handicapped youth in special projects. This fall the Career Based Education (CBE) concept will be implemented at two other schools for potential dropouts. We will also pilot a CBE project for dropouts--a drop-in program, if you will. It is unfortunate that the youth we serve in-school in order to keep them there until graduation, are counted for/against overall youth placement performance, a policy which could encourage efforts to put youth to work as quickly as possible. This PIC has taken the position that given the choice of keeping kids in school or meeting youth placement performance, we'll keep them in school.

This SDA has conducted two successful Resource Seminars aimed at employers to (1) for those already here, to stay here, and (2) for those already here, to tell out-of-area employers they are welcome and here's what we have to make you feel that way.

One of the documents attached to your invitation was a summary of GAO testimony which concluded with a chart comparing CETA percentages with JTPA percentages. I would like to suggest that that is comparable to comparing apples and meerschaum pipes. Also mentioned was "concern" that certain features of JTPA ". . .may influence service delivery areas to select, from among eligible applicants, those persons needing only limited employment and training assistance to succeed in employment rather than those needing more extensive assistance. The not-so-polite term is "creaming." We also have heard these "concerns," too often from those who can't get out of a CETA mind-set, those unwilling to take advantage of the built-in flexibilities of JTPA, those who don't know the facts and those who don't want to know the facts. Those so inclined will probably carry the GAO chart around night and day to press their case.

I believe if we get away from comparing percentages and start comparing numbers we can put much of this non-issue aside. Attached to this testimony is a chart comparing client characteristics for the last 12 months of CETA and 11 months of PY'84 for JTPA using real numbers rather than percentages. (The data are not available for June, 1985.) It should also be noted that the eligible population is 6%-7% smaller under JTPA. So as not to scew the relevance,only participants on CETA II-B and JTPA II-A have been counted--i.e., summer youth, PSE, Title VII CETA, Title III JTPA,etc. are not included.

The chart lists 23 characteristics for all those served in the respective programs. If you compare the first two columns you will note that with one exception (more about that one later), JTPA served more individuals in every category, including the targeted ones than in CETA's best year.

When we were interviewing potential administrative entities for this SDA it was OVO/ODC that promised to continue to serve the same population it had under CETA. Frankly, that was a little unsettling given CETA's cost per placement and overall placement records. Asked how JTPA standards would be met with such,OVO/ODC responded that given the flexibility of JTPA it was possible to serve the same population--and even increase the numbers--and at the same time serve an eligible population that had been excluded from CETA by a variety of discriminatory priority indices. The agency committed to assisting the PIC in finding a replacement if it could not make good within the 9-month transition period.

Under CETA those programs not "creaming" were filled to capacity with those most in need, certainly. Unfortunately many of them would not or could not benefit from the services, but very willing to stay around for the sub-subsidized employment and stipends for sitting in a classroom. since it was prohibited from doing any type of assessment prior to enrollment, too many people in this category took up "slots" which could have served people who were eligible and could have benefitted from the program. (in January 1982 OVO/ODC "inherited" our 5 northern counties and found , among other oddities, participants who had been in 20 hour a week ABE classes--paid--from one to two years). This at a time when an individual who had made some investment in her/his life could not get help when it was badly needed. How often did we hear the complaint, "You mean to tell me that John Q and Susie X who haven't done a thing for themselvesor anyone else can be paid to sit in a classroom for two years and me, who didn't drop out of high school, worked hard and paid taxes for 6 years until the factory shut down,can't even get on the program?". Little wonder there wasn't much support for CETA from the at-large community.

The numbers on the chart should leave no doubt that this SDA, at least, is serving the most in need that can benefit from the services. To my knowledge not one JTPA eligible individual most in need who could benefit from the services has been denied access to the program. Those that cannot or will not benefit from the services usually screen themselves out (i.e.-- they don't return) when they realize they are going to have to invest themselves and take some responsibility for their own lives. This information is not being presented to be defensive or self-serving. Rather, it is brought to you in the belief that many SDA's are getting a bad "rap" and could produce similar data, if asked, to show that JTPA works. Really works.

The extent of the numerical increase of those served as shown on the chart indicates, I think you will agree, that the reference to apples and meerschaums is not off the mark. Start with the fact that with a budget shrunk by 30% the SDA has served 114% more participants under JTPA in a comparable period. That we have not served them at the same ratio, characteristic- for-characteristic as under CETA we acknowledge, and contend rights the inequity without denying service to any eligible--e.g., The ratio of 38% men to 62% women has changed to 56% and 44% respectively,yet we served 51% more women under JTPA. AFDC recipients (usually women) still have priority access to the program but not to the exclusion of others.

AREAS OF CONCERN:

Despite extensive outreach and recruiting efforts to double the number served under CETA, as an SDA we fell far short for AFDC recipients and Single Parents. (In Indiana it is almost impossible for a 2-parent household to receive AFDC. In essence we are talking about single parents, 80% of whom were on AFDC at the time they entered the program.) It is some solace that 87% of the AFDC recipients and 96% of the single parents overall who "graduated" or otherwise exited the program, did so into employment--but not much.

It is curious to us that Section 106 of the Act stipulates that "...(D) reduction in the number of individuals and families receiving cash welfare payment..." will be a measure of performance and then in Section 142 stipulate that "(b) Allowances, earnings and payments to individuals participating in programs under this Act shall not be considered as income...other than programs under the Social Security Act". Presumably the intent of Sec. 106 was to reduce the amounts of cash welfare payments by reducing the number of people on the roles, not by reducing the dollar grants to individuals who participate in JTPA programs--i.e.substituting JTPA dollars for Social Security/AFDC dollars. Perhaps this issue is of little consequence in other States with a different system but in Indiana the State has limited control of County Welfare offices in applying rules and policy. In this SDA that translates to having 11 different AFDC and Food Stamp programs. In addition with the advent of JTPA 8 of our 11 counties opted out of the WIN program.

As a group, few others would benefit more from longer term skills training than AFDC recipients. Jobs that pay more than $5.00 an hour for unskilled labor are rapidly disappearing, at least in this area. On the other hand a single parent with 2 minor children who goes to work 40 hours a week at the minimum wage would remain more than $2,000 below the poverty level and would probably lose Medicaid for the children. The maximum AFDC grant this parent could get in Indiana is $256 per month (so much for Welfare Cadillac stories). Already in a stress situation, if this individual attends classroom training in/from our SDA she will have to travel 10-30 miles each way to school, pay for child care and incur other expenses as a result of training. If JTPA provides needs-based payments or other supportive services they reduce the AFDC payments. In at least one county the Welfare office calculates the tuition and books paid by JTPA to the schools as income. If the training is accreditted for a Pell Grant there is a dollar-for-dollar trade off on food stamps. In some instances food stamps are cut off immediately because the recipient is considered a "student". The wonder is that any AFDC recipients where there is no mandatory WIN program participate in classroom training programs in Indiana.

We feel that Section 142(b) is at direct odds with Section 106 (a)(2) and (b)(1)(D) and urge that the reference to the Social Security Act be deleted from Section 142(b).

OLDER WORKERS:

This SDA has contracted with 3 separate Area Agencies on Aging for the training and placement of older individuals in accordance with Section 124 of the ACT. Despite intensive and extensive outreach and recruiting efforts on the part of the 3 Agencies there is great difficulty in recruiting eligible participants. In many instances the inclusion of their Social Security retirement income makes them ineligible. The "10% window" allowed for by

Section 203(a)(2) does not apply to Older Workers being served under Section 124 funded by Section 202(b)(2) monies. We join with the Area Agencies on Aging to recommend that the "10% window" provision be extended to Section 124 and/or exempt Social Security income as includable income for determining eligibility.

At the same time we would recommend against requests that JTPA dollars, including 3% set-asides, be used to foster part-time employment--10-15 hours a week are the numbers most heard--for individuals seeking only to supplement their retirement income. We would view the use of training dollars for such "placements" as counter-productive to the intent, as we see it, of the Act. We recognize that service providers working on performance based contracts will not share this recommendation but suggest that the issue is best left to the SDA PIC's to set the priorities and policy for use of its limited dollar resources.

DISLOCATED WORKERS:

Dislocated Workers with "low" skills, or skills unmarketable within the SDA, who could benefit from JTPA training or retraining yet resist it, is not a problem peculiar to this SDA. At the time of dislocation they, like most of us, have house and car payments, kids in school and other financial obligations--and, too often, a belief that the old job will magically reappear and/or that finding a job now should be no different than it was 15 years ago. Understandably they seek employment at wages comparable to what they had been receiving. The new jobs being created, however, are either in service industries which pay far less than the old job or in industries requiring technical skills for which at least some pre-employment training is necessary.

The best time to start training or retraining, of course, is while the individual is still working and has a support base. Employers are not always cooperative and/or the employee can't quite believe that someone who has such a good work history--and "willing to do anything"--is going to have any trouble finding a new job. The next best time, then, is immediately after the lay-off. That time is usually spent in a frantic search for a new 10-15 dollar an hour job in direct competition with those s/he used to work with or waiting for the recall notice. Sooner than it seemed possible at the time of the lay off, the unemployment benefits stop and what little support base existed is now gone. We are all too aware of the human tragedy and misery associated with this scenario.

We have no specific recommendation to present to the committee to address this issue. Collectively, however, we have to find new incentives for employers to invest in skills upgrading or retraining, and incentives to encourage workers to invest in their own skills upgrading prior to or immediately upon dislocation. The task is not made easier by the fact that many of our dislocated workers are part of that 36% who dropped out of school and have no GED certificate.

A suggestion that has come forward provides cash incentive payments, to be paid from the training cost category, for any dislocated worker who enrolls in an appropriate JTPA training program on a performance based contractual arrangement. Performance would be measured against pre-established training objectives such as attendance, progress in each skill area, levels completed, etc. The contract would have to be entered into by the worker prior to lay-off or not more than 6 weeks after lay-off. The incentive payment would be in addition to unemployment insurance and both, it is suggested, should last for up to 12 months of training if performance is maintained. If the individual obtains training related employment during or at completion of training the incentive allowance would be tax free--a full unit payment similar to 20CFR629.38(e)(2). If single unit priced contracts can be entered into with training agencies where full payment is conditional upon placement into training related unsubsidized employment, why not, the reasoning goes, with the trainees.

TECHNICAL TRAINING:

On behalf of our SDA I add my concern to that expressed nationally regarding the low level of JTPA eligibles willing to participate in extended skills training activities--i.e., training other than that provided by an OJT experience. We don't, however, believe a return to the CETA stipend system is the answer, especially as it existed in Indiana's Balance-Of-State which invited abuse and made classroom training the track least likely to result in employment. If performance is to be measured against such factors as cost per person served and the accessibility of the program to eligible/targeted persons, the limits on support services and administrative costs set at the National level seem unnecessary. Without them, we feel confident, SDA's could design more innovative programs within established cost performance standards.

In part it has been the success JTPA has enjoyed in attracting employers to be partners in training--something that seldom happened in CETA even though OJT was a service option from the beginning--that has given rise to this issue. When given a choice between a paycheck and deferring against one while in school, not too surprisingly most eligible participants will opt for the paycheck. We believe, however, that much of the problem could be resolved by the schools and training sites--and some are well along in doing just that.

As schools, particularly tax supported schools, design or redesign technical training to better meet employer requirements within the area, extend the training hours available per week, and eliminate the "frills" and the preoccupation with degrees and "credit creep", classroom training will become more attractive. At the same time most schools have much to learn about job placement and need to invest more attention, if not resources, to those activities. If payment of tuition was more dependent upon job placement schools would be less apt to continue training people in skills for which there are no realistic employment opportunities.

Under JTPA classroom training can take place hand-in-hand with on-the-job training. As classroom training becomes more relevant--and efficient--to the employers' needs, and as more employers become aware of the opportunity, this training option will be better used. But whether in conjunction with on-the-job training or prior to employment "classroom" training will be much more appealing to the JTPA participant if there can be a realistic expectation of appropriate employment at completion. With some support from the States for the schools and input from the business community we believe this issue will, for the most part, correct itself.

A FINAL FEW THOUGHTS:

Those who crafted the JTPA legislation and the Department of Labor are to be congratulated for not burdening the system with the myriad regulations and restrictions that crippled CETA. It is the local flexibility and discretion of JTPA that is responsible for the private and public sector support it has received. We must not lose sight, however, that CETA at conception was an innovative program that was State-ed and Fed-ed to ignomony. Continuing support by the private sector, at least, will be largely dependent on the extent to which local flexibility and discretion can be maintained and expanded--and the degree to which the State will restrain itself from interpreting the Act and its implementing regulations--and the support the SDA's can expect when designing and implementing innovative programs to serve their areas. A preoccupation with audit and liability issues has a chilling effect on creativity.

In conclusion I wish to state to Senator Quayle, to Secretary Brock and to the Committee, that from our vantage point in Southeastern Indiana, JTPA works--and works very well. We believe that with your continuing support and by maintaining the partnerships we can make it even better. Thank you for the opportunity to have our 11-county Service Delivery Area represented at these hearings.

COMPARATIVE CLIENT CHARACTERISTICS

CETA II-B &JTPA II-A ONLY

	CETA '83 12 Mos.	JTPA '84 11 Mos.	Number Increase	Percent Increase	CETA Job Placement	JTPA Job Placement	Remain Active JTPA	JTPA Placements 20 Mos.
Total	1165	2495	1330	114	453	1218	1189	3/ 2029
Male	440	1398	958	217	202	723	631	1172
Female	725	1097	372	51	251	495	558	857
Youth	345	952	607	176	138	359	531	562
22-54	800	1437	637	80	305	953	607	1532
55+	20	106	86	430	10	47	51	76
Dropout	528	666	138	26	180	342	302	568
Student	20	431	411	20x	13	57	321	76
H.S./GED	536	1163	627	116	225	686	467	*
Post H.S.	81	235	154	119	35	133	99	*
AFDC	356	290	(66)	(19)	88	100	175	192
All Public Assistance	385	1046	661	171	99	477	369	759
1/ Economically Disadvantaged	1165	2416	1251	107	453	1176	1152	1924
Handicapped	77	84	7	9	26	33	43	53
Single Parent	415	371	(44)	(11)	146	198	165	364
White	1061	2364	1303	123	424	1159	1124	1878
2/ Black	94	123	29	31	29	59	63	151
Offender	170	206	36	21	81	115	81	*
VN Vet	46	136	90	95	24	72	63	
Unemployed	1058	1598	540	51	414	877	693	1489
Underemployed	41	319	278	678	10	132	63	402
Part-time Employed	incl	121			incl	70	49	
N.I.L.F.	66	527	461	698	29	102	370	138
Employed or 10%	N/A	51	51	N/A	N/A	37	14	*

* Not on computer for 1st 9 months of JTPA

1/ The population of the SDA over the age of 16 is 203,981. Of those 29,421--14.5%--are below the poverty level.

2/ Blacks and all other minorities comprise 2.6% of the SDA population and 7.4% of the job placements

3/ 83 additional placements as of 6/21/85

Senator **Quayle**. Thank you, Mr. Barada. Let me just pick up on this point and ask the panel this question: I sort of discerned from listening to both the public officials here and our private participants, that you feel that the PIC council itself, and the coordination between the private and public sector is going very well.

A number of you, and I think perhaps all of you, emphasize that you really would like to keep that flexibility and let those decisions be made at the local level. Notes of criticism, which we welcome, because if we do not get criticism, we will not know how to improve the program, seems to indicate that there may be some set-aside problems. Mr. Barada sort of hit upon a key point, and I would just sort of like to ask the panel: If you had to describe one major difference between this approach and the approach under CETA, would it be along the lines that we are able to let those decisions be made at the local level, without a lot of intrusion from Washington and Indianapolis.

And also, let me say this: In our letters and communication I have had thus far, I have been quite impressed by the quality of people we have been able to recruit from the private sector. You know, we politicians asked for the job, we want to serve the people, and we are out there trying to promote jobs and promote our respective constituency. But to get the private sector and, especially to get key people from the private sector to volunteer and give their time, we have been able to really get the cream of the crop. We have got high quality people, whereas before, under the CETA Program, we did not. It was sort of a, you had to do this, and you got people who were willing to serve, but they were in a way turned off by the program.

A lot of the complaints that I heard was that there was just too much bureaucracy, and too much administrative overhead.

And I wonder if in fact this is a key element and wouldn't you advise us, in anything that we can do to try to keep it as clean and simple and decentralized as possible?

Mr. Barada sort of hit upon that. I would just ask each member of the panel, if they want to comment on that particular aspect which is so critical.

The people that are sitting here are the ones that make the decisions on how this program is going to be administered. That PIC council is key, and how we get that public/private coordination in these service delivery areas is obviously key on how the trainees are going to be served.

Mr. Barada, do you want to comment on how this is probably one of the major distinguishing factors, and if it is, that we probably need to be aware of this in our deliberations as we go forward.

Mr. **Barada**. I do not think there is any question about that, Senator. I think that the reason that JTPA is working is because of the involvement of the private sector, and they are involved, in my humble opinion, because this program is sending people to an employer who can do the job, not just people who need jobs. There is a distinction there.

And second, I think a lot of the appeal that JTPA has, unlike some other Federal programs, it is giving back people a sense of self-reliance. It will help those who want to help themselves and that is, as I am sure you know, very much in keeping with the whole notion of free enterprise and entrepreneurial spirit. So I think that is why the private sector is involved, because of local autonomy and because the program really does reflect the private sector view of how things operate.

Senator QUAYLE. Mr. Steele.

Mr. STEELE. I think one of the things that I have noticed most about our private industry council, and one of the things that encourage me most, is the participation we get not only from the private sector but the public sector. Our PIC meetings are in full attendance of elected officials from a nine-county area. In square miles, we are the largest SDA in the State. We cover a lot of territory and the participation, the enthusiasm from all the people on the program, it is very, very encouraging, and it is a program well worthwhile to volunteer one's time to.

Senator QUAYLE. Mayor Rose.

Mayor Rose. I will have to agree with Byron Steele, that the private sector and our local elected officials, we really work together, and when we do have our meetings, we are all there. What is really encouraging most is, I would like to see more programs come under the local level. There is no one closer to the people than the mayors. If you want to talk to an elected official, all you have to do is walk in his door.

We are the one that hears who needs to feed their family, who needs to pay their utility bills, and really, the relationship that we have in our area is just great, and I think it is working great, Senator.

Senator QUAYLE. Mayor Haskett.

Mayor Haskett. I agree with Mayor Rose, keep it on a local level. The program is working. I am very impressed with the PIC, very impressed, with the people that we have. Everything is going fine, and it is so much different than the CETA Program.

Senator QUAYLE. Mr. Grundmann.

Mr. GRUNDMANN. I think the third letter in the acronym is the key one, partnership. What this program really has, as has been mentioned many times already, is that partnership between the private sector and the public sector, education and so forth. All those resources have been put together because with the local control, it is felt you can have a meaningful impact on what is happening. Somebody sitting a thousand miles away or a hundred miles away, is not going to impact those things that you are doing.

I feel that the reason that people from the private sector have been attracted to this program is because they feel that they can make a meaningful contribution that is not going to be wiped out by some bureaucrat down the road somewhere.

Senator QUAYLE. Gentlemen, thank you very much for your very succinct and appropriate testimony.

Our next panel is Mr. Elmer Blankenship, Mr. Gerald Lamkin, Mr. James Hammond, Mr. Tom Miller, and Mr. John Walls.

This is a panel of representatives of related programs and various organizations to give us a little bit different perspective. We will still try to, as closely as possible, adhere to the 3-minute rule, and the first is Mr. Elmer Blankenship, who is the assistant Director, region 3, for the United Auto Workers. Welcome, Mr. Blankenship, and proceed.

STATEMENT OF ELMER E. BLANKENSHIP, ASSISTANT DIRECTOR, REGION 3, UNITED AUTO WORKERS, INDIANAPOLIS, IN; GERALD I. LAMKIN, PRESIDENT, INDIANA VOCATIONAL TECHNICAL COLLEGE, INDIANAPOLIS, IN; JAMES M. HAMMOND III, DIRECTOR OF MARKETING SERVICES, INDIANA ASSOCIATION OF REHABILITATION FACILITIES, INDIANAPOLIS, IN; THOMAS P. MILLER, DIRECTOR, INDIANA EMPLOYMENT SECURITY DIVISION, INDIANAPOLIS, IN; AND JOHN W. WALLS, MEMBER SJTCC, PRESIDENT, INDIANA STATE CHAMBER OF COMMERCE, INDIANAPOLIS, IN

Mr. BLANKENSHIP. Mr. Chairman, on behalf of the approximately 100,000 UAW members working in region 3, which is Indiana and Kentucky, and the 30,000 who are laid off due to plant closings or layoffs, I want to thank you for this opportunity.

Our program deals with dislocated workers, so my remarks will be focused on them; however, I want to assure you that we do support the other titles of the program also.

While dislocation has cut across the entire industry occupation spectrum, the burden has fallen disproportionately on blue-collar workers. Many of the workers subject to layoff have never experienced looking for a job. They have not had the anxiety because they knew somebody and got into a plant setting through a friendship.

Many do not know how to look for work now, if they are laid off. Workers who had taken pride in being able to provide for their families have discovered the need for food stamps and food banks, and other community services.

To kind of focus on Mayor Haskett's remarks about the increased crime due to unemployment, recent studies have shown disturbing information about the increases in the rates of suicides, heart attacks, strokes, blood pressure, depression, aggression, anxiety, loss of self-esteem, financial problems of course, marital difficulties, crime and illness among family members, as well as the unemployed person themselves.

We have found in the dislocated programs that our members are more likely to participate if the training programs are located in the plant, or in union halls, in familiar surroundings.

They are also more likely to participate if some of the management and some of the union officials are involved in the program, especially in the outreach and the orientation.

Our experience with plant closings: At the Torrington Co. in South Bend, Prestolite Battery in Vincennes, and Hoosiers from the Louisville Harvester plants, is that participation rates among the unemployed can be as high as 40 percent, when they are going to a familiar surrounding with familiar people. We have been able to help many members face their problems and look toward a brighter future.

The UAW has coordinated with the PIC's, the SDA's, IV Tech, and other educational and community-based organizations. We place a high emphasis on in-kind services. We have been able to get companies, where we have had layoffs and plant closings, to give us space in the plant, pay for personnel, pay for postage and supplies, and other kinds of in-kind services.

Presently, we have seven projects running with two being developed. We are proud to announce to you that we have exceeded our goal. We had contracted with IOOD to place 480 in this contract year and we have placed 488 with still a month to go.

Our average rate is $8.21, Senator, and I have four areas of concern that I listed in the program. Since my time is expired, you can read those and I will not comment on them, but we do urge that the program be extended and expanded to help not only the dislocated workers, but also those under the other titles. Thank you.

[The prepared statement of Mr. Blankenship follows:]

STATEMENT OF
ELMER E. BLANKENSHIP, ASST. DIRECTOR
UAW, REGION 3
BEFORE THE
U.S. SENATE LABOR AND HUMAN
RESOURCES COMMITTEE
ON
THE JOB TRAINING PARTNERSHIP ACT

JULY 1, 1985

On behalf of approximately 100,000 active UAW, Region 3 members and the 30,000 who permanently have lost their jobs through plant closings and layoffs, the UAW wishes to thank Senator Quayle for holding this hearing on the Job Training Partnership Act. We appreciate this opportunity to submit our views on this important legislation.

Impacts of Severe Economic Dislocation

A dramatic change is occuring in the job marketplace. Since 1964 manufacturing employment in this country has seen a 35% decline. There has been and will continue to be a shift in emphasis from an industrial society to a new and presently uncertain society in which high tech jobs and service jobs will predominate. The projections for new opportunities in the high tech area originally were optimistic, but it has more recently been recognized that, instead of creating many new jobs, high tech may eliminate more than it creates. And while jobs in the service area will definitely increase, many jobs currently in existence will be lost to automation.

A special study by the Brookings Institution found that an average of 900,000 jobs were lost each year between 1978 and 1982 because of manufacturing plant closings. This represented one out of every four jobs in large manufacturing plants. No region was spared as rates of manufacturing jobs lost in every region of the country exceeded 10% between 1980 and 1982.

The most extensive government study to date on economic dislocation shows that over 5 million experienced workers permanently lost their jobs in the last five years- about half because of plants closing and the other half due to permanent workforce reductions. Two-fifths of these dislocated workers were still jobless when interviewed in 1984, and even though the remaining 60% had managed to find some kind of new job, many suffered substantial declines in living standards.

While dislocation has cut across the entire industry/occupation spectrum, the burden has fallen disproportionately on blue-collar workers. Over 55% of the workers displaced had worked in skilled and unskilled blue-collar occupations, a proportion far larger than the 29% share these occupations represent among the employed. By industry, almost half had worked in manufacturing, yet manufacturing accounts for only 20% of total employment.

UAW Members Especially Hard Hit

Further details from this government study show that some of the hardest hit industries have been those in which UAW members work. Close to 1.7 million workers were permanently dislocated from their jobs in durable manufacturing- two-thirds of the total displaced from manufacturing. Over half had held jobs in three major industry groups- transportation equipment, machinery except electrical, and fabricated metals. More than 75% of our membership work within these industries.

Currently, hourly employment is below recent peak levels within each of these industries. We also find that at the five major domestic auto companies, even though hourly employment is up moderately from the trough of 1982, it still remains almost 25% below 1978. Three-fifths of the jobs lost between 1978 and 1982 have not been restored. In other UAW-represented industries, aerospace employment is more than 10% below its peak, farm and construction machinery employment is down more than 50%, and employment in metal forgings and stampings is down almost 20%.

UAW's national membership has declined by .5 million from 1.5 million to 1.0 million members. UAW's membership in Indiana is down by approximately 30,000. As hard hit as UAW members already have been, we expect the situation to get worse, especially for our members working in the auto industry. The expiration of restraints on Japanese auto shipments which expired at the end of March is a severe blow to the recovering auto industry and to the millions of Americans and their families whose livelihoods depend directly on a healthy auto industry.

Impacts on Laid-off Workers, their Families, and the Community

Many of the workers subject to layoff have never had to look for a job and never expected to be forced to find another job. Employment at a particular plant had been a lifetime occupation. We anticipate that many workers have no idea how to start the job search process. Times, techniques, and the labor market have changed dramatically and new approaches are required, including job retraining and a new understanding of the realities of the current job market.

For the factory worker who has lost his job the question becomes much more complex as he not only has to look for a new job but also must resign himself to a significant decrease in earnings. For many the inability to meet mortgage payments, car payments and utility payments has become a reality. Workers who at one time had a great pride in their ability to provide for their families have discovered the need for food stamps and food banks in their fight for survival.

The effects of lay-off do not stop with the employee. The effects ripple down first to the family, then to the community and the state. Recent studies have shown some disturbing information that has only confirmed what the unemployed have known all along- that physical and mental health can be drastically affected by job loss. Increases in suicides, heart attacks, strokes, high blood pressure, depression, agression, anxiety, and loss of self-esteem are commonly found among the unemployed. Financial problems, marital difficulties, crime, and illness among family members, especially the spouse, can also be linked to job loss. Studies by the University of Michigan have indicated that the length of unemployment is significant. More problems occur when an individual is unemployed beyond ten months.

Already some of the dislocated workers have gone through two or three additional layoffs, as more plants have closed or phased down, and it becomes apparent that the changes in the job market will require more than the traditional emphasis on job placement. In order to compete within a marketplace that is increasingly undergoing change, many workers will need to retrain. Cautions need to be taken to assure that training occurs in areas that will enhance the worker's current skills, but which also make them competitive for the jobs of the future.

UAW, Region 3 Dislocated Workers Program

The UAW, Region 3 Dislocated Workers Program and its Subcontractors have had many opportunites to see first hand the effects of plant shutdowns and mass layoffs. During the months that the program has been operational, it has dealt with potential suicides, family and marital problems, financial difficulties, and home foreclosures. In addition, physical and mental health problems have occurred. Depression, anger, agression, and loss of self esteem have been all too common among program participants.

We have found that our members have been more likely to participate if the training programs are located in the plant or the union hall. Laid-off workers have expressed a reluctance to participate in programs in unfamiliar surroundings and settings where they do not know anybody. Our experience with plant closings at the Torrington Company in South Bend, the Allied Corporation- Prestolite Battery Division in Vincennes, and International Harvester in Louisville (Indiana residents served under our program) indicates that participation rates among the laid-off can be as high as 40% or more if intervention is early and if the program is located in familiar surroundings.

The UAW, Region 3 Dislocated Workers Program has helped the dislocated to face their problems and look towards a brighter future. Program staff personally counsel and assist the participants. Job search skills training provides the participant with the skills and tools necessary to seek employment in today's challenging job market. Vocational Training and On-the-Job Training assist the participant in making the transition to new and different employment. The total efforts of the program are geared towards job placement for each and every participant. Skills and work history are assessed, and, in cooperation with the participant, efforts are made to place the participant in employment of interest to him or her.

Coordination

UAW, Region 3 has sought the input and cooperation of local PIC's and SDA's when implementing projects in their areas. The UAW has coordinated its projects with Indiana Employment Securities, educational institutions, community-based organizations, and other local human services organizations. Service providers are selected on the basis of accessibility and familiarity to participants and on the basis of services being provided at a reasonable cost.

UAW, Region 3 places a high emphasis on in-kind contributions to its projects. UAW projects have received in-kind contributions from companies in the form of project personnel, direct training dollars, office space, supplies, and other in-kind items. In-kind services have also been provided by Local Unions, by local SDA's, by another state, and by other organizations.

UAW Dislocated Workers Program Performance

The UAW's contract with the Indiana Office of Occupational Development (JTPA, Title III Discretionary funding) called for the enrollment of 800 and the placement of 480 participants with a cost per placement of $3958. As of May 31st these goals have been exceeded. Our performance as of the end of May is as follows:

1) Enrollments	1,378
2) Job Search Skills Training	1,110
3) Vocational Training	234
4) On-the-Job Training	79
5) Terminations	547
6) Placements	488

Cost per Enrollment	$ 682.06
Cost per Placement	1,925.97
Average Wage at Placement	8.21

An economic Benefit/Cost Analysis of the tax revenues generated by the incomes of the placed participants (25% rate for federal and state taxes) vs. the cost of the program yields a ratio of 2.22. In other words, for every $1.00 of cost the program has yielded $2.22 in tax revenues from the wages of the participants in unsubsidized employment (on a yearly basis).

Project Summary

UAW/Madison Center

The Madison Center's Dislocated Workers Program for laid-off workers from the Torrington Company in South Bend has been expanded to cover laid-off UAW employees in St. Joseph County. The Torrington Program has exceeded it goals for enrollments and placements having enrolled 265 and placed 145. The Community-Wide Program to date has enrolled 240 and placed 44. In-kind contributions to the program from the Torrington Company amounted to over $200,000.

Kokomo Crisis Center

The Crisis Center in Kokomo is currently on its second contract with UAW, Region 3. Under the first contract the enrollment goal of 60 and the placement goal of 30 were exceeded with the Crisis Center having achieved 62 and 31 respectively.

The second contract which is on a performance basis has also been a success. The goals for enrollments of 50 and placements of 40 have been met with 51 having been enrolled and 40 having been placed.

UAW/Ford National Development and Training Center

The UAW/Ford National Development and Training Center (NDTC) from Dearborn, Michigan is operating a Career Services and Re-employment Assistance Center (CS-RAC) in Indianapolis to serve laid-off Ford/UAW-represented employees. The project is jointly funded by NDTC and UAW, Region 3. The funding for NDTC comes from a $.05 contribution by the Ford Motor Company for hourly employees per an agreement between the Company and the UAW. As of May 31st, 194 participants have been enrolled and 33 have been placed.

LaPorte County

The City of LaPorte is operating a dislocated workers program to serve laid-off UAW employees in LaPorte County. As of 5/31/85, 187 have been enrolled and 63 have been placed. In-kind training space is being provided in the UAW Local Union Hall.

International Harvester

International Harvester in Louisville is operating an Outplacement Center which is jointly funded by International Harvester, UAW, and the State of Kentucky. UAW, Region 3's contribution is being used for direct training activities for laid-off Indiana residents . The other program components are being provided to the Indiana residents in-kind through the IH Outplacement Center. IH has exceeded its goals of 150 enrollments and 75 placements having achieved 170 and 100 respectively.

Interlocal Association

The Interlocal Association (a local Service Delivery Area) has contracted on a performance basis with the UAW to serve laid-off employees who live in or have worked in Henry County. As of May 31st, 56 participants have been enrolled and 9 have been placed.

UAW/Prestolite

UAW, Region 3, UAW Local #675, and the Allied Corporation- Prestolite Battery Division have jointly planned and agreed to a project to train and place workers from the Prestolite Battery Plant in Vincennes which recently ceased operations. UAW, Region 3 is providing funding for training and job placement and the Allied Corporation is providing in-kind personnel, space, equipment, supplies, phones, and other support for the project. The Shawnee Trace SDA is providing job search skills training and coordinating with the project on job development, placement, and OJT's. After just two months of operation, 153 have been enrolled and 23 have been placed.

UAW/Ingersoll

An important factor in the settlement of a 5 month strike at the Ingersoll Plant in New Castle was the agreement of UAW and Ingersoll to provide job training and placement opportunities for approximately 130 employees who will not have jobs because the Company has eliminated several operations formerly run at the plant. The program to be jointly developed by the Company and the UAW will be financed by the Company matching $60,000 from the UAW Title III Grant.

Areas of Concern:

Areas of concern to us which we feel merit consideration under JTPA and Title III include:

1) Restrictions being imposed on enrolling and providing services to members of a dislocated group of workers who live out-of-state. It can hinder getting total support from an employer and a local union if members who live across state lines cannot be served.

2) The slow start-up of projects and slow processing of paperwork can hinder effective implementation of programs. Early intervention is vital, but it can be slowed by paperwork delays. Project and project extension approval should be sped up.

3) On-the-Job Training contracts should not automatically provide for maximums allowed under the DOT Code. There should be flexibility so that training periods closely match participant training needs.

4) We should not be providing assistance to runaway plants who move from area to area.

There are currently over 30,000 laid-off former UAW workers in the State of Indiana. These unemployed workers who have been stripped of their productivity and means of support are straining the current social service networks which exist to help the unemployed. A continuing effort should be provided to find meaningful and productive employment for them and other Title III eligible Hoosiers. We urge that the Job Training Partnership Act be continued and that the UAW and other Dislocated Workers Programs be continued and expanded.

Senator QUAYLE. Thank you, Mr. Blankenship, and I can assure you and each of the other members that have prepared statements, that the entire statement of yours will be incorporated as part of the record, and then any comments that you want to make in the 3 minutes will be added to that as additional comments.

Next, Mr. Gerald Lamkin who is the president of the Indiana Vocational Technical College. Welcome, Mr. Lamkin and proceed.

Mr. LAMKIN. Thank you, Senator. My summary really should be first, because if you succeed, and if we all succeed in the area of tying vocational education with what we heard earlier this morning on the Federal scene, and getting with new endeavors in that area, I think all of us will be more successful in the future.

My comments are sketchy comments from my testimony that is in the minutes. As you know, job training and retraining is the mission of IV Tech which is Indiana Vocational and Technical College, which I will not repeat any more. I will use my 3 minutes using that one title, so I will use IV Tech. The implementation of the act, which was created by agriculture, labor and manufacturing, commerce, and education, basically the same types of parties that we have with JTPA. That planning for economic development and serving individuals is a common purpose that both IV Tech and JTPA have. Employers need assistance like never before in the selection, training, and maintenance of their work force. JTPA clients, as well as other workers, are caught in rapidly advancing technology.

The short-term training can also mean, if it is not customized to what the employers need, and what the needs of the individuals are, can place this person right back in the unemployment scheme in a very short time.

Strengthening and maintaining efforts in combining resources, both public and private, in providing a trained work force for Indiana. JTPA, Pell grants, scholarships, welfare support, Federal, State, business, and industrial grants. We must do a better job of coordinating all the resources that are available in this area of training and retraining.

There is in Indiana serious discussion and experimentation which is truly analyzing the opportunities for expanded partnership. You heard earlier about that this morning from the Governor and Lieutenant Governor.

The act should also be expanded or modified to place increased emphasis on training for adults, as well as better service to adults and youth, with year-around programs.

As I said earlier, JTPA must be combined with other resources. Clients could qualify for Pell Grants. IV Tech recognizes that JTPA can greatly help with placement and offering of employer hiring incentives and stands ready to assist in every possible way.

Currently IV Tech, in each region, is about 25 percent of the JTPA clients, and some training activities. Training programs must be a joint effort between JTPA and IV Tech and other educational institutions.

Two-year post-secondary institutions such as IV Tech are at the forefront of transferring technology to the workers into the work force.

Our experience points to the fact that early partnership involvement improves the chance of success. The average cost for placement on jobs is an important criteria and one which should be retained.

Again, short-term training may lead to short-term employment. The goal is a well-trained, proudly independent work force, which is no longer dependent on government and other agencies.

In summary, flexibility is something that we all seek more of: To create a real and permanent and effective JTPA program. We feel like the JTPA is a start, and to arrive at people economic development programs, we must have, from the Federal scene, more creative ideas of vocational education, both post-secondary and secondary, and also in the higher education area. Thank you, Senator.

[The prepared statement of Mr. Lamkin follows:]

PREPARED STATEMENT BY GERALD I. LAMKIN, PRESIDENT, INDIANA VOCATIONAL TECHNICAL COLLEGE, INDIANAPOLIS, IN

TESTIMONY

Senator Quayle, distinguished visitors, colleagues and friends.

I am pleased, as President of an Indiana two-year college serving more than 50,000 residents annually with job training, to have this opportunity for input to this field hearing concerning the Job Training Partnership Act.

Job training is the mission and purpose of the Job Training Partnership Act and of Indiana Vocational Technical College. Implementation of the Act is helping bring the State, its agencies and resources, including Indiana Vocational Technical College, together in planning for economic development and serving individuals with meaningful job training which might not otherwise be available.

Employers need assistance like never before in the selection, training, and maintenance of their work force. JTPA clients, as well as other workers, have been caught in rapidly advancing technology and in disappearing, as well as expanding, job opportunities. The matching of the needs of the people to the needs of the work place is not an easy assignment, but one which can be accomplished through partnership efforts.

I can't stress enough the importance of strengthening and maintaining efforts in combining resources, both public and private, in providing a trained work force for Indiana. JTPA, Pell Grants, scholarships, welfare support, federal, state business and industrial grants each play a major role in meeting these needs.

Currently, the process seems to be segmented like a batched production line as opposed to a modern integrated automated system with appropriate feedback and quality control activities. Both production lines rely on partnership activities but one is no longer competitive. There appears to be a danger that the evaluative criteria process may tend to over-control forcing occupational choice and student selection instead of the selection being driven by community need.

We want you to know that serious discussion and experimentation is underway in Indiana which will truly analyze the opportunities for expanded partnerships and result in increased service at reasonable costs.

The eight percent set-aside should be continued or better yet, expanded. This fund has enabled training institutions to respond rapidly to the needs of special populations where existing resources were not as complete as needed.

The Act should also be expanded or modified to place increased emphasis on training for adults as well as better service to adults and youth with year around programs. The majority of the funds currently available seem to be ear-marked for youth programs.

Many clients could qualify for Pell Grants as well as for JTPA support. The recruiting function must be expanded beyond the JTPA offices in order to better coordinate funding assistance available to the clients. IVTC recognizes that JTPA can help greatly with placement and the offering of employer hiring incentives and stands ready to assist in every possible way. IVTC can analyze the job content requirements and organize these requirements into learning sequences for the client both on and off the job site with high efficiency.

Indiana Vocational Technical College is proud of its mission of successfully preparing individuals for immediate and continuing employment in the shortest possible time and with the least expense required by the particular job and individual served.

Currently, a typical IVTC region is enrolling approximately 25% of the JTPA clients in some sort of training activity. There is an increased awareness that many clients need pre-OJT training and the next step, of course, is to recognize that many also require support during the OJT phase in organizing and supplementing the on-the-job experience. Serious analysis must be given to the correct balance between pre-employment, OJT, and support training activities. The fastest growing program at IVTC is Customized Training that has individualized job specific training as its goal and activities.

There is tremendous potential for partnership and service in the legislation. However, this has not reached its fullest potential due to several factors. The program is still quite new and it takes time to build team confidence and effort to its fullest strength; employment conditions are rapidly changing throughout the State and the JTPA organizational effort has commanded a great deal of time and effort at both the local and state levels - these all effect the program's development. Progress is being made daily in cooperation for placement, recruitment, financial aid, program counseling, and providing both pre-employment skill and on-the-job training.

Training programs must be a joint effort between JTPA and IVTC staffs. IVTC must participate more in the planning and review of the JTPA program objectives. This planning should mature to a level which better predicts the community needs for the work force and the guiding of individuals into those occupations which would most benefit the community and the individual.

Two-year post-secondary institutions such as Indiana Vocational Technical College are at the forefront of transferring technology to the workers and the work place. We are most anxious to develop increased partnership arrangements with JTPA in the areas of training. Our experience points to the fact that early partnership involvement improves the chance of success.

Thank you. Indiana Vocational Technical College stands ready to assist in every possible way in this important training effort.

Senator **Quayle**. Thank you, Mr. Lamkin.

Next we have Mr. Jim Hammond who is the Director of Marketing Services of the Indiana Association of Rehabilitation Facilities.

Mr. **Hammond**. Thank you, Senator. Mr. Chairman, my name is James M. Hammond III. I am the director of Marketing Services for the Indiana Association of Rehabilitation Facilities.

INARF is a statewide not-for-profit membership organization representing 55 community-based rehabilitation facilities serving over 7,000 disabled persons annually.

Rehabilitation facilities throughout Indiana play a vital role in Indiana's vocational, education, training, and employment system.

With respect to services for handicapped people, the Department of Labor has reported that nationally, 7.3 percent of both adults and youth served by the JTPA Programs are handicapped.

This level of participation by handicapped persons, however, falls short of the 10 percent level achieved under the old Comprehensive Employment and Training Act which expired in 1982.

There are four areas of the Job Training Partnership Act on which I have specific comments. By statute, JTPA requires that 40 percent of all title II-A funds be spent on youth. One way to maintain and improve programs for youth would be to utilize community-based organizations such as rehabilitation facilities to assist in the recruitment, outreach and programmatic effort.

There is a requirement that 8 percent of funds be set aside for vocational education. The distribution of the 8 percent funds causes concern on our part because services to handicapped persons are not a priority in this area.

In my opinion it would be more equitable if the State would be involved in developing criteria and in setting priorities for distribution of the 8 percent vocational education funds, and ensure that services for handicapped persons are a priority under this provision. The statute allows for the Governor of each participating State to exercise the prerogative to modify performance standards.

It is essential for the Secretary of Labor to encourage Governors to modify performance standards as necessary to encourage entry-level employment opportunities in jobs which pay only $3.35 per hour.

Many jobs in the food service industry, and the hotel/motel industry attract severely handicapped persons, and potentially, the placements might adversely affect the average wage and placement performance standards in SDA's. Under section 202(b)(3) of the Job Training Partnership Act, 6 percent is allowed incentive grants to be available to each service delivery area for exemplary performance and/or for technical assistance. In some situations, the 6 percent funds have become a disincentive for administrative entities.

It is my opinion that the 6-percent-incentive moneys should be utilized as broad-based technical assistance programs which would allow expenditures and activities to improve performance, and have a positive effect on management and program outcomes.

More specifically, these incentive moneys could be used for serving individuals such as the handicapped, with multiple barriers to employment, and reward the service delivery areas for providing exemplary, innovative and demonstration projects.

I congratulate you and the members of this committee for sponsoring these hearings. They will produce an improved system, not only in Indiana, but also in the Nation for the future.

Thank you very much for the opportunity to participate.

Senator **Quayle**. Thank you, Mr. Hammond, and now, Mr. Miller, who is the director of the Indiana Employment Security Division. Mr. Miller.

Mr. **Miller**. Thank you. I am pleased to be able, as director of Employment Security in Indiana, and also as acting executive assistant to Lieutenant Governor Mutz for Employment and Training Services, to address the hearing this morning.

I am going to share briefly with you some of my observations and comments regarding the operation of the Job Training Partnership Act in Indiana. I think the track record that has been established here as well as throughout the country has been a good one.

The thrust of JTPA with its emphasis on greater responsibility and flexibility at the State and local level needs to continue.

It has become increasingly apparent to me, as I have met with groups around the State, and individuals regarding the operation of their programs, that one of the critical success factors in JTPA has been its localized planning and localized operation that has been brought to bear on the problem of getting the unemployed back into jobs.

In fact, as a result of some of the conversations I have had, and, to the extent possible under existing law and Department of Labor regulations, we intend to aggressively push the employment security system to become more localized in its operation. We hope that some of your remarks in regard to decentralizing this system might come to bear in the years ahead as well.

In addition to the whole emphasis on localized planning and operation, it is very clear that another success factor has been the involvement of the private sector in the operation of these programs.

Their planning expertise, their knowledge of localized labor market conditions, have definitely been a contributing factor to the success of the program. We hope that this JTPA model, in terms of private sector involvement can be continued and possibly emulated in other employment training programs.

A third item that I want to speak to, is, that in order to plan and properly implement programs there needs to be some funding stability.

While I think we all appreciate the problems at the Federal level in terms of the budget deficit, to whatever extent you can bring to bear some degree of funding stability on the employment and training programs, would certainly be helpful in assuring that we serve the clientele we need to serve.

I think to a large extent the budget stabilization issue has been accomplished through some of the parts of the law that specified 2-year planning cycles.

In addition to some of the localized planning, we hope at the State level to be able to establish some models that possibly can be utilized throughout the State. We have talked briefly about the job matching system which Indiana will have on-line in a matter of 3 or 4 months, statewide.

We will be only the second State in the country to have such an operation and we hope that this computerized model can be expanded throughout not only the local JTPA entities, but other groups that are involved in the employment and training area.

We are very pleased to hear your remarks regarding your analysis of other employment and training systems at the Federal level and the possible decentralization of those programs as well. We encourage the dialog to start regarding those programs.

Thank you very much.

Senator QUAYLE. Thank you, Mr. Miller. The final member of this panel, Mr. John Walls, who is the president of the Indiana State Chamber. Mr. Walls.

Mr. WALLS. Thank you, Senator. When we received word of the act a couple of years ago, it became perfectly clear to us in the business community that you had given a whale of a "put up or shut up," since the business community had essentially been the very high-level critic of the CETA program.

Frankly, I would like to thank you for the challenge because I think it has worked. I think it has worked especially in Indiana, and if I can say so without undercutting either my position or Elmer Blankenship's position, this is one area where labor and management have worked together, because it is important, and because of people like the PIC chairs you have seen this morning, and people like Elmer, I think it is going to continue to work.

My remarks can be summarized very briefly. First, we are proud of your participation in getting this program underway. We think it is an improvement over CETA. We think it is working primarily because of good staff service in Indiana, because of the Governor's insistence that it work and because of the public/private partnership that I have mentioned.

We would like to see you keep the emphasis on some of the cutting edge programs that are necessary, if the overall problem is to be solved eventually to any degree at all.

We like the local responsibility aspects. We think that is where the action is, that is where it should work, and that is where the bulk of the decision-making should occur.

Now in a career like mine, I have at least an occasional less vital activity, at least concerning the public impact. The Job Training Coordinating Council in Indiana is certainly an exception. It is important. It has to work.

I believe it is working. I have only one suggestion to make in terms of the interest of the State chamber. Though we certainly approve of the performance standards, in some cases these standards tend to discourage programs related to activities like hard-core unemployed.

An SDA is going to be at a disadvantage if it tries to prove its worth based on the success of a hard-core program. A look at performance standards related to the special type programs, this might be helpful.

We would like to see you keep the emphasis on the youth programs and in terms of the overall concept, just keep going. It is good.

[The prepared statement of Mr. Walls follows:]

PREPARED STATEMENT BY JOHN W. WALLS, PRESIDENT, INDIANA CHAMBER OF COMMERCE, MEMBER OF INDIANA JOB TRAINING COORDINATING COUNCIL

Mr. Chairman and Members of the Subcommittee:

I am John W. Walls, President of the Indiana Chamber of Commerce. I serve as a member of the Indiana Job Training Coordinating Council.

Thank you for the opportunity to share some views with you on the Job Training Partnership Act.

We in Indiana feel a certain closeness to this particular program since Senator Dan Quayle was co-author of the bill, and the Indiana Chamber, a business organization of about 5,000 members, was one of the early supporters of the new law. We believe it is more successful than the Comprehensive Employment and Training Act that preceded it.

The Indiana Chamber communicated with its Board of Directors, and also with its full membership in urging business to provide leadership and talent for implementation of the Job Training Partnership Act. Business leaders serve on the Private Industry Councils created over the state in the Service Delivery Areas. Despite some turnover on these Councils, we can assure you that the business people who are involved are making a major contribution to the successful functioning of the Act.

Because of the shifts taking place within our economy, the task of equipping persons who are unemployed, or about to be unemployed, with currently needed job skills continues to present a challenge that must be met.

In some instances, an individual may be acquiring a basic skill for the first time. For others it requires retraining for a different skill as was intended by the Job Training Partnership Act.

Although the new law has only recently begun to operate on a normal basis, we believe the program has generally been successful. We like to think that the increased involvement of the business community has been a key ingredient in that success. Business people understand the need for training, and for making the program as direct and as economical as possible. They understand the need for preparing people for proper placement in the private sector.

The involvement of business and industry has given the Job Training Partnership Act a much higher level of credibility in the private sector than CETA ever enjoyed. As the program continues to improve, we fully expect more business firms to become interested and cooperate at the local level, especially by seeking to employ graduates of the various training programs.

The private sector and the public sector have worked well together in the effort, substantiating the partnership aspect of the Act.

We expect further improvements as those who operate the program in the Service Delivery Areas become more experienced. We hope to see more innovation and targeting of funds and efforts toward special problem areas. One of these areas -- youth employment -- is a serious and continuing problem; we encourage you to continue the emphasis on the funding of youth training.

We like the concept of performance standards, but we would like to suggest that thought be given to lowering the requirements slightly in order to stimulate some risk taking. For example, it is probable that a local program which targets the "hard core" unemployed is more costly, on the average. Statistics in these programs may discourage the Service Delivery Area when trying to meet current performance standards.

While we believe that most of the current training projects in Indiana are good ones aimed at specific problems within the categories set forth by the Act, we also know that business people want results. They want to see the funds spent where they will produce quick placements while meeting performance standards.

From our vantage point, it is difficult to make specific recommendations with respect to proper functioning of the program. There are others here today who are intimately acquainted with the program; I am sure their testimony will be of much value to your Subcommittee.

Senator **Quayle**. Thank you very much, Mr. Walls. Let me just ask the panel one question. Each of you represents a specific constituency: business, employment security and rehabilitation, vocational education, and labor.

I wonder if you can tell me, from your viewpoint of representing that constituency, if you feel that your input and communication and coordination with the various PIC councils, the PIC groups that work around the State, if you feel that it is adequate, if you feel that you are comfortable with that relationship, or if there are any ways that that relationship can be improved. Because that is the central point on how these decisions are going to be made around the State that will have the ultimate effect on the people we want to serve.

Mr. Walls, do you want to comment on that and then I will ask the other panel members.

Mr. **Walls**. All right, let me comment on it. It will never be adequate. There is no way that a State system can have absolute communication with 17 local SDA's.

So it has to be made to work without being adequate. Now, when I say not adequate, I do not mean that it cannot work, but I think that there has to be a considerable amount of trust between those like Mr. Miller, at the State level, who are very effectively involved, and those at the service delivery level, especially in their staff situations because these communications are absolutely necessary. There must be trust, and in terms of this factor, I think we have had a considerable amount of that trust in Indiana. There have been misunderstandings. At the State level we have tried to make sure that the local folks understand that we think the essential decisions are theirs, within your guidelines.

Senator **Quayle**. Mr. Miller.

Mr. **Miller**. I think by and large the involvement of employment security with the PIC's has been good, and it has been surprising in the sense that JTPA is a locally run type of operation as opposed to employment security being heavily centralized.

In order to improve it, we are going—following along with my remarks—to move aggressively over the next year to push the employment security system to become a more localized operation which I think will in turn improve our relationship with the private industry councils.

Senator QUAYLE. Mr. Hammond.

Mr. HAMMOND. Senator Quayle, at the State job training coordinating council level and in each of the 17 service delivery areas, there is a representative of rehabilitation facilities on the local PIC's. However, to emphasize again, and reiterate what Mr. Walls said, I believe the staff through the local coordinating agencies, that is, welfare, employment security, Indiana rehabilitation services, vocational education staff, and those of community based rehabilitation facilities, need to get together to discuss the issues and sort out the differences to improve the system for everyone.

Senator QUAYLE. Mr. Lamkin.

Mr. LAMKIN. I think it is the local groups where the action will be. If they see that the State groups, for instance, my office, the chamber of commerce, if we are communicating on the same thing, JTPA, and that we can see that the Federal scene is doing the same thing, that that is going to reinforce good communications at the local level.

I think the problem, though, we have to see, is with the State level and the Federal level is in concert with the local level. The local level is succeeding more than we are at this point.

Senator QUAYLE. Mr. Blankenship.

Mr. BLANKENSHIP. With our programs we are dealing in seven different areas and each one is different. In some there may be more than one SDA. In one area we had an SDA where they have had three different directors in the year that we have been working there. On the whole I would say our relationship has been good. We have gotten free service out of some of them and reasonable service out of others. So we all have to work harder, I think, to make it work better.

But everybody was new when we were starting, the SDA's were just getting reorganized from CETA, so we have had a growing problem.

Senator QUAYLE. Gentlemen, thank you very much for your testimony.

The next panel is a panel of representatives of targeted populations: John Boner, Kathy Jackson, Joseph Matthews, and Alice Schnur.

Mr. John Boner who is the executive director of the Near Eastside Multiservice Center here in Indianapolis. Mr. Boner.

STATEMENT OF JOHN H. BONER, EXECUTIVE DIRECTOR, NEAR EAST SIDE MULTI-SERVICE CENTER, INDIANAPOLIS, IN; KATHY JACKSON, EMPLOYMENT PROGRAM DIRECTOR, AREA XI, AGENCY ON AGING, COLUMBUS, IN; JOSEPH C. MATTHEWS III, EXECUTIVE DIRECTOR, INDIANA OPPORTUNITIES INDUSTRIALIZATION CENTERS OF AMERICA, INC., STATE COUNCIL, INDIANAPOLIS, IN; AND ALICE SCHNUR, PROJECT COORDINATOR, WING PROGRAM, INDIANAPOLIS, IN

Mr. BONER. Thank you, Senator. Near East Multi-Service Center is a community-based organization. We operate the 70,001 Program of Indianapolis which is an employment and training program for high school dropouts ages 16 to 21. In addition, our caseworkers in our social service division refer clients to JTPA-funded programs sponsored by other organizations throughout the city.

Senator, we want to thank you for the leadership that you have provided in the area of employment and training, and in particular for your concern about the unemployment and the training needs of youth.

The first area of JTPA that I would like to address is the provision of support services. In addition to normal child care and transportation services, consideration needs to be given to those extraordinary needs such as appropriate clothing for job interviews, and the employment environment. Other legitimate expenses, everywhere from diagnostic, and GED testing fees, to food and shelter. We acknowledge that these supportive services are expensive but we feel their benefits would outweigh the costs.

The cost per unit of service should be factored accordingly so that the PIC's are not penalized for providing adequate support services.

PIC's must be encouraged to meet the vital human needs in order to increase our participants' chances for long-term success.

Not the least of the reasons that support services are so critical is related to my second point, which is that of providing services to the hard to serve and those who are most in need.

Again this is an area where perhaps the performance rating formulas may need to be modified, so as not to penalize those programs and PIC's which strive to provide those services.

Perhaps even legislative incentives may be needed to encourage involvement with this category. Our own 70,001 program as well as other 70,001 programs around the country serve the most needy population.

In the 6-month period of July through December of last year, we were successful in placing 49 youths in jobs of at least 30 hours. Of those 49 placed, it included 71 percent of those individuals who had handicaps or substance abuse problems; 61 percent of those on AFDC; and 62 percent of those who had been arrested or convicted.

Those percentages are of the individuals who enrolled in the program. The majority of our youth are in important transition period.

This is often their first chance to participate in the work force and to view employment as a stepping stone to independence

Studies have determined that it is normal and acceptable for youth to move in and out of the employment market.

General preemployment training is the most practical approach to take with youth who do not have well-formulated goals and objectives.

This suggests that preemployment training and subsequent placement of youth in minimum wage jobs is a positive and practical approach.

It would be even more beneficial if programs such as ours could be involved with youth on a more flexible and longer term basis to prevent bad experiences and assist the youth in developing substantive employment goals based on employment experiences. Another area that I want to stress is that of providing coordination of educational services for the underemployed and unemployed.

Earlier this morning Governor Orr and Lieutenant Governor Mutz talked about that additional funding can always be used, but also, the encouragement of cooperation among diverse administrative agencies is important.

Incentives should be incorporated into all appropriate legislation to provide innovative and wholistic approaches to the training and educational needs of the less motivated and the difficult to serve populations.

I am pleased to report about the successes of the 70,001 under JTPA, but I regret to say that our adult clients seen through our social service divisions have benefited less from the act, because JTPA appears to encourage programs to focus on individuals most likely to succeed.

There is a group of disadvantaged adults who have been overlooked. I'm referring to the hard to serve adult, unemployed, who many times do not meet the entry requirements for existing programs.

They are too old for preemployment training programs and they cannot meet the academic or skill requirements for specialized programs. They need individualized attention, GED's, job development, and support on the job.

In conclusion, I want to applaud the act's current level of funding support to youth, and to encourage new and expanded provisions for services to meet the most in need and hardest to serve populations. Given the appropriation flexibility and incentives, programs such as ourselves, and our own PIC, can respond to the special populations.

Again, thank you very much for the opportunity to provide this testimony.

[The prepared statement of Mr. Boner follows:]

PREPARED STATEMENT BY JOHN H. BONER, EXECUTIVE DIRECTOR, NEAR EASTSIDE MULTI-SERVICE CENTER, INC., INDIANAPOLIS, IN

Senator Quayle and Members of the Committee:

I am John H. Boner, Executive Director of the Near Eastside Multi-Service Center, Inc. (NEMSC). We are a member of Community Centers of Indianapolis, Inc., a federation of eleven neighborhood multi-service centers throughout Indianapolis. Founded in 1971, NEMSC is a community-based organization which provides social services and operates special programs for senior citizens, adolescent drug and alcohol abusers and high school drop-outs. I am here today because we operate 70001 of Indianapolis, an employment and training program for low-income high school drop-outs between the ages of 16 and 21. Additionally, caseworkers in our Social Services Division refer clients into JTPA funded programs sponsored by other organizations throughout the City of Indianapolis.

First of all, I want to thank you for the opportunity to testify before the US Senate Labor and Human Relations Committee regarding the Job Training Partnership Act. Secondly, Senator Quayle, I want to thank you for the leadership that you have provided in the area of employment and training and particularly for your concern about the unemployment and training needs of youth. Indiana is proud to have you as our Senator providing national leadership in this critical area of human need that is so vital to long term economic growth.

We began our 70001 of Indianapolis Program in April of 1978. At that time, our funding was through the Comprehensive Employment & Training Act (CETA), which was administered through the City of Indianapolis, Division of Employment and Training under the leadership of Tom Otto. Since October of 1982, we have been funded with JTPA funds through the Indianapolis Private Industry Council/Indianapolis Alliance for Jobs; Marsha Oliver, President. We also want to acknowledge the outstanding support services we receive from the National office of 70001, Ltd.; Larry C. Brown, President, and Senator Quayle, for support of funding for 70001, Ltd. Although local programs pay a modest service fee to 70001, Ltd., we realize that this does not cover the true cost of the program activities, curriculum development and program training that make our program special. 70001, Ltd. has been successful in securing funds from the private sector, but the types of activities they perform on behalf of our program and over 60 other 70001 Programs are expensive and require direct Federal Government financial support. Again, I want to applaud your efforts in providing this support.

The first area of the JTPA that I would like to address is the provision of support services. We recognize that the intent of the legislation is to provide job training and employment opportunities. However, provisions must be made for sufficient support services for the clients most in need of these opportunities. Our local PIC provides child care and transportation services to our associates during their training and for a period of time while they are seeking employment. As helpful as this is, unfortunately, it is not enough. Additional services are needed for associates from the time they begin work through the time they receive their first or second paycheck. We need to be realistic in that many of the jobs these youth secure are minimum wate opportunities, and it continues to be a struggle for them to "make ends meet." In addition to child care and transportation services, consideration should be given to extraordinary needs such as appropriate clothing for job interviews and the employment environment, and for other unusual, but legitimate expenses ranging from diagnostic and GED testing fees to food and shelter. We must acknowledge that support services are expensive, but their benefits far outweigh the costs. The cost per unit of service should be factored up accordingly so that PICS are not penalized for providing support services. PICS must be encouraged to meet vital human needs in order to increase the associates' chances for long term success.

Not the least of the reasons that support services are so critical is related to my second point, which is the importance of providing services to the hard-to-serve and those who are most in need. Again, this is an area where the performance rating formulas may need to be modified so as not to penalize those programs and PICS which strive to provide services to these challenging populations. In fact, legislative incentives may actually be needed to encourage involvement with this particular category since we all recognize that for the American economy to be healthy and vigorous in the 21st century, we must have a competent, well trained and motivated work force.

Our own 70001 Program as well as other 70001 Programs serve the most needy population. This is demonstrated by the following statistics from our program for the six month period of July through December 1984: Of the 110 young persons between the ages of 16 and 21 who enrolled in our program during that period, fourteen (14) were on their own and eighteen (18) were single parents. Five (5) were married, three (3) had been separated, and four (4) were in the Marion County Guardians Home. A minimum of fourteen (14) had handicaps and substance abuse problems, and we believe those with substance abuse problems were substantially higher than the number that voluntarily acknowledged such a problem. Twenty-one (21) had been arrested, and twenty-two (22) had been arrested and convicted of a crime. Eighteen (18) were on AFDC, and only slightly over half of this group had any type of work experience. These statistics demonstrate that young drop-outs are at a very high risk and much in need of service. We were successful in placing forty-nine (49) in jobs working at least 30 hours per week, which they held for a minimum of 30 days. Although this is lower than our overall placement average of 55%, it illustrates that this challenging population can be served successfully. Of the forty-nine (49) placed, it included 71% of those individuals who had handicaps or substance abuse problems, 61% of those on AFDC, and 62% of those who had been arrested or convicted.

We believe our youthful drop-out population is unique for a number of reasons. The majority of our youth are in an important transition period. It is the first time they have lived away from their families, sometimes because they have been kicked out of their homes. This is often their first chance to participate in the work force and to view employment as a stepping stone to independence. For youth to successfully make this transition into adulthood, it is critical that they secure employment which provides them with sufficient income to maintain themselves, and, in many situations, their families.

Studies have determined that it is normal and acceptable for youth to move in and out of the labor market, and that this is a predictable outgrowth of their development. General pre-employment training, such as that offered by 70001, is the most practical approach to take with youth who do not have well-formulated goals and objectives regarding employment, yet have a desire and need to gain positive work experience. Specialized skills training is not only more expensive, but may result in a bad experience (and bad references) for youth whose goals and interests change in the process of training or shortly after obtaining his/her first job. This suggests that pre-employment training and subsequent placement of youth in minimum wage jobs is a positive and practical approach. It would be even more beneficial if programs such as ours could be involved with youth on a more flexible and long term basis in order to prevent bad experiences and assist in the formulation of more substantive employment goals based on individual experiences.

If we are to have an American population more independent of public assistance in the 1990's and on into the 21st century, it is critical that we provide the services necessary to train and motivate this population which has already dropped out and rejected the norms of its peers. Even though the educational system may have failed this group, or perhaps this group through its own lack of initiative and motivation failed the system, every effort must be made to assist them in re-entering the mainstream of American life. With a national drop-out rate quoted as being anywhere from 20% to 25% and higher, we cannot ignore this difficult population. Rather, we must strive with all of our imagination and resources to obtain their attention, enlist their cooperation and participation and enable them to become productive members of our society. Especially as cur elderly population increases, we need non-elderly members of our society to be as self-sufficient as possible. They must be able to pay taxes to support those who can no longer work and who in fact supported the educational systems and developed the infra-structure which enabled these young people and their parents to enjoy a better standard of living.

A discussion of the most in need population brings me to my third point, the need for greater emphasis on additional educational services for all who are unemployed or under-employed. This is yet another situation which may require modifications to the performance rating formula so that PICS can offer incentives to programs assisting high school drop-outs in obtaining their GEDs. Statistics provide overwhelming evidence that an unemployed person who obtains a GED as well as a job is likely to be employed long than those without GEDs. We must also make provisions for those who successfully obtained their GEDs and demonstrated a desire for further formal education. I krow you also acknowledge that a well educated population is one of our most valuable human resources.

I am certainly not one to say that more funding could not be put to productive use. But the need for additional coordination among existing departments and programs and the encouragement of cooperation among the diverse administrative agencies on the National, State and local levels is equally as important as funding. The Carl D. Perkins Vocational Education Act provides many examples of legislatively mandated opportunities for such coordination among State and local agencies. The type of opportunities provided in that Act should be closely examined for replication in other legislation ranging from the Elementary and Secondary Education Act to the WIN Program to Veteran's Training Benefits and other related programs.

Incentives should be incorporated into all apprpriate legislation to provide innovative and wholistic approaches to education and training of the less motivated and difficult to serve population. In reflecting on our own program's efforts to serve high school drop-outs, it seems that additional incentives are needed for non-traditional educational programs such as alternative schools, street acadamies and altogether different educational environments. The American education system and institutions which can proudly take credit for many of the accomplishments of previous generations must now rise to the challenge of reducing the high percentage of drop-outs of today's and tomorrow's youthful generation.

Our own 70001 Program is extremely proud to have been selected as one of the four programs of the National 70001 network to receive a $50,000 Comprehensive Competency Program (CCP) from 70001, Ltd. This is the program that was developed by Robert Taggert of the Remediation and Training Institute and has proven to be successful. It is now being replicated in many locations across the Country. 70001, Ltd.'s funding for implementation of this program in our community is made possible by a grant from the Ford Foundation, for which we are most grateful. The CCP Program will permit us to provide more individualized training and instruction to our associates and will expose our associates to the technology of the future. Just as computers have permitted industry to become more efficient, they enable us to be more efficient in providing educational and training opportunities in a wide range of areas including remedial education, English as a Second Language, and specialized industries such as hospitality. We encourage the implementation of additional programs such as this that will ultimately stretch employment and training dollars while providing exciting opportunities for our young people.

While I am pleased to report the successes of 70001 under JTPA, I regret to say that the adult clients seen through the social services division of our center and other multi-service centers throughout the city have benefited less from the Act. Because JTPA and the policies surrounding it encourage programs to focus on individuals most likely to succeed in short term, inexpensive programs, there is a group of "disadvantaged adults" who have been overlooked. I am referring to the hard-to-serve adult unemployed who do not meet the minimum entry requirements for many existing JTPA programs. They are too old for pre-employment training programs, but cannot meet the academic or skill requirements for specialized skills training. Their labor market expectations are not clear. They need individual attention, GEDs, advocacy, job development, and support on the job. They need to "get their feet in the doors" to gainful employment.

Federal policy changes calling for special attention to this group of people are imperative if JTPA is to be considered truly successful. We are confident that special efforts directed at this group would prove that they can find and hold jobs. We believe that the failure to address this special group will have a negative impact on the overall economy for years to come. Again, we recognize that this group will be more expensive to serve.

Finally, I want to make a plea that does affect Indiana as much as it does other States in which 70001 Programs operate. Dramatic shifts in funding which have sometimes occurred under the JTPA funding formula have caused hardships in some areas. JTPA legislation recognized the importance of long term planning. It must also be recognized that such planning is difficult, if not impossible, if over a three year period a State's funding can be reduced by as much as 30%. Perhaps consideration should be given to increasing the "hold harmless" amount to 95% or to ensuring that the current 90% is calculated over a three to five year period. It is important that there be stable funding amounts for PICs and other agencies to be able to do effective comprehensive planning that will reflect the results of past program performance, research, and changing needs.

In conclusion, I want to applaud the Act's current level of support of services to youth and to encourage new and expanded provisions for services to the most in need and hardest to serve populations, both youth and adult. Given appropriate flexibility and incentives, our own PIC as well as others can respond to these special populations, as has been demonstrated by their fine performance during the past two years under JTPA.

Again, thank you for the opportunity to provide this testimony.

Senator **Quayle**. Thank you very much, Mr. Boner.

Next is Miss Kathy Jackson, employment program director for Area XI, Agency on Aging in Columbus.

Ms. **Jackson**. Thank you, Senator. I am from the Area XI Agency on Aging in Columbus which serves a five-county area. My position with the agency is director of senior employment.

The agency has been involved in employment and training since 1978 with the Title V Program. In November 1983, we received a contract for the 3-percent set-aside under JTPA. In April, we further expanded our employment program with getting the dislocated workers program. We have been very fortunate in having a lot of support from our community the service delivery areas that we work with. Because of that support, we do feel that we have been very successful.

In the last 21 months of the program, we have placed approximately 84 older individuals at an average cost of $1,200. We feel this is extremely low.

The employment program has also been the recipient of the project independence award for the State of Indiana for enhancing and fostering independence in older persons.

However, throughout the 21 months of the program we have established some concerns for older workers. One of those is the income guideline itself. We are finding that through the interviewing of over 250 older persons in the last 21 months, that 37 percent of those individuals have been over income, but still under an income of $8,000. Most of the older persons that we have been interviewing are of one- and two-person families. This is something that we are deeply concerned about. We feel that these individuals need help. They are unemployed, maybe for the first time in several years. They are confused; they are bitter; they are angry at a work ethic that they have strongly believed in; yet they fall between the cracks in many programs.

We would like to see an in-depth study on the income guidelines. The other thing that we are concerned about is the 10 percent provision being denied the older worker.

Again, we feel if this was expanded, that if the older worker program had its own 10 percent provision, we could again better serve those individuals that are in need.

A third area that we have a concern with is that Social Security is counted as income. We feel that this is something that we would like to have taken a look at.

With that in mind, I would like to conclude by saying that we do believe JTPA works. It works well; with the cooperation of the community agencies, such as the area agencies, the SDA's and the people themselves. Thank you.

[The prepared statement of Ms. Jackson follows:]

Agency On Aging
AREA XI

JTPA TESTIMONY

By Kathy Jackson, Director Senior Employment
Area XI Agency on Aging

I am from the Area XI Agency on Aging in Columbus, which serves the 5 counties of Bartholomew, Brown, Jackson, Jennings & Decatur. My position with the Area Agency is that of Director of Senior Employment. The Agency has been involved in employment & training since 1978, when we received the Senior Community Employment Program, or Title V. In November of 1983 we obtained the 3% set aside for older workers and in June 1984 obtained a dislocated workers program. Our programs are involved in providing intensive assessment of skills & abilities, educational training when appropriate, job search training , career counseling, and placement assistance.

The Agency, over the last 21 months has placed 84 older individuals in permanent part or full-time employment at an average cost of $1200. We believe JTPA works for older individuals, especially when using the already established network of the Area Agencies.

However, over time we have had some concerns and it is for that reason I am here today.

In the last 21 months we have interviewed approximately 250 older persons, ______ whom have been income ineligible. Most of these individuals are of 1 or 2 person families and have an income

Box 904 Columbus, IN 47202-0904
Counties serviced in Area XI: Bartholomew: 342-9009, 342-4992 • Brown: 878-4553
Decatur: 591-3997 • Jackson: 445-3885 • Jennings: 392-2133

of less than $10,000 but still have house payments, insurance payments, and high medical costs, etc. They are for the first time in 25-30 years unemployed, confused and mad at work ethics they have believed in for so long.(Give loyalty - be there and you will have a job). They normally have less than an 8th grade education and are truly bewildered that society no longer thinks they are valuable employees because of age. Do these individuals need us less? No. We are looking to prevent these individuals from becoming society drop-outs and entering our welfare rolls, but we cannot make that impact using the current income guidelines.

2. Another concern we have in working with JTPA, 3% set aside is the inability to access the program through the 10% provision. This does not allow the service providers of the Title IIA programs to work with older persons. We must then shuffle them back to those providers of Title II. When this happens we lose them. Older persons are apprehensive of asking for assistance in the first place and when we begin to shuffle them between agencies they get discouraged. Our goal is to make JTPA easily accessible. One place for all services.

With these 2 thoughts in mind we of the Area Agency are asking that an in-depth look be taken at establishing a higher income level for Iitle IIA for 1 or 2 person families and establish a 10% provision for the Title IIA program.

Senator QUAYLE. Thank you very much, Miss Jackson.

Next, Mr. Joseph Matthews, executive director, Indiana Opportunities Industrialization Centers of America and State Council. Mr. Matthews.

Mr. MATTHEWS. Thank you, Senator Quayle. Thank you also for the invitation of having the opportunity to address this committee, and to represent those OIC programs throughout the State of Indiana as well as the interest of OIC's throughout the United States.

I might comment that in the implementation of the Job Training Partnership Act, the Opportunities Industrialization Centers have seen their numbers diminish from a 140 to 87; throughout the Nation, from nine operating programs to three operating programs in the State of Indiana.

At one point, one is faced with the realization that it might be easy to condemn the activities and implementation of the Job Training Partnership Act. It might also be in our interest to suggest a whole range of changes, but we have come to the realization that the Job Training Partnership Act, indeed, is working, and we wish to continue to play a role of support for that activity.

In very broad terms we have witnessed a substantial increase in the number of private sector members participating in the design and development of employment and training activity. We have also witnessed a substantial degree of program design and decision-making returned to the State and local levels.

From our vantagepoint we feel that this is a substantial improvement from activities of the past, and we congratulate you for the effort to date.

We also would suggest that amendments to the legislation be viewed with caution, if at all. Despite the positive aspects of the Job Training Partnership Act, I do have several concerns that I would like to draw to your attention.

These concerns would center around the overall availability and volume of services available to those whom we might describe as most in need. Most in need might reference youth, but particular minority youth, jobless older workers, and the offender population, individuals who perhaps would have a need for substantial remediation.

My question along that line would be, under the act, section II, what was the intent of Congress? Indeed, were we to focus on youth and unskilled adults facing serious barriers to employment, who would need significant service in order to become employable? If indeed the intent of Congress was that of servicing that element of our population, then perhaps the will of our decision-makers is what needs fine-tuning, and not the act.

The will to declare that indeed service levels for the respective SDA areas should be increased in volume despite increased possible costs, to service those whom we seem to forget.

We think, in large measure, that assistance in this area would also be provided by having policy participation by community-based organizations in such areas that would impact upon private industry councils as well as other training related activities that would center around economic development, vocational education, and adult education.

We would further suggest that the activity to date across many SDA areas shows increased interest and awareness of the problem, and yet if we but had the will to commit additional resources, we shall find a way to improve the service levels. Thank you, Senator Quayle.

Senator QUAYLE. Thank you, Mr. Matthews.

Finally, on this panel, Ms. Alice W. Schnur, project coordinator to the WING Program here in Indianapolis.

Ms. Schnur.

Ms. SCHNUR. Thank you, Senator. I am director of the Central Indiana Displaced Homemaker Center/WING Program, which operates under a grant from the Indiana State Board of Vocational and Technical Education.

WING stands for Working Into New Growth and provides counseling and referral services, support groups, job readiness workshops and career exploration testing to displaced homemakers in Marion and the seven surrounding counties.

The program has been in existence for 4 years and has served some 1,500 clients in that time.

Displaced homemakers have special problems in entering or reentering the job market. Often, they are without specific skills or recent work experience, and when they are able to find employment it is typically in entry level dead-end jobs which do not provide sufficient income to support themselves and their children adequately.

They need help in choosing viable career directions and training that will give them the skills they need in order to become readily employable.

On-the-job training programs will give them the experience they lack and the money they need to live on until they find work. Under JTPA income eligibility guidelines, the displaced homemaker is often excluded, and I think these guidelines need to be adjusted to suit the peculiar situation of the displaced homemaker whose spouse's income may have been considerable, but who suddenly may have no income at all, and I would certainly underscore the comments made by Mr. Boner and Miss Jackson as to income guidelines, and the difficulty of serving the adult population.

Allowances for support services must be more fully utilized than they are at present. The JTPA definition of displaced homemaker must be changed to include those who have been underemployed, and the training programs must be for work that will provide an adequate income and opportunity for advancement, whatever the age of the trainee.

These changes will allow individuals to gain not only employment but also self-respect and will bring definite economic advantages to the State. Thank you.

[The prepared statement of Ms. Schnur follows:]

STATEMENT BY ALICE W. SCHNUR

Good morning. I am Alice W. Schnur, Director of the Central Indiana Displaced Homemaker Center/WING Program, which operates under a grant from the Indiana State Board of Vocational and Technical Education. WING provides counseling and referral services, support groups, job readiness workshops and career exploration testing to displaced homemakers in Marion and the seven surrounding counties. Urban, suburban and rural communities are included in this area. The program has been in existence for four years and has served some 1500 clients in that time.

Displaced homemakers are persons, usually female, whose primary occupation has been that of homemaker providing unpaid services to family members in their homes, and who have lost the support of the person upon whom they have been financially dependent through separation, divorce, or the death or disablement of that person. They are very much like "dislocated workers" in that they can no longer support themselves using the skills they have learned over a lifetime. However, because they have not worked outside the home for pay, they cannot collect unemployment benefits and usually they are not eligible for social security payments. In Indiana there is no long term public assistance and no alimony. Only if there are children under 18 in the home can they receive Aid to Families with Dependent Children. Without specific job skills or recent work experience, employment is difficult or impossible for them to find. When they are able to obtain work, it is likely to be in low-paying, dead-end jobs without such fringe benefits as medical insurance or pensions.

These women need help in getting training for jobs which will allow them to support themselves and their families adequately, and assistance in choosing appropriate careers and finding positions when their training is completed. They represent a valuable and under-utilized pool of workers and taxpayers. JTPA programs may be their best avenue for acquiring the work skills that will make them readily employable. However, there are several barriers to a displaced homemaker's being admitted to JTPA programs. The first has to do with income guidelines that take into account the family income for the last six months. Though the family wage-earner's income has very abruptly ceased to be available to her, she must wait six months, possibly with no income at all, before she is considered eligible for training.

Another obstacle is the very definition of displaced homemaker presently being used in our State. If an applicant has worked at all in the twelve months preceding displacement, even at a very part-time and irregular minimum wage job, she is not eligible for services. Many homemakers who are not in the position of having to support the family entirely have occasional jobs to supplement the family income and would automatically be disqualified. It is my understanding that a new definition is being developed and I hope it will correct this problem.

If she does meet eligibility requirements, the only training programs open to her may be for entry level minimum wage work with little opportunity for advancement, such as telephone solicitation or child care. Training efforts should be concentrated on preparation for higher paying entry level jobs and jobs where opportunities for career advancement are available.

It appears that sex equity is not being practiced as diligently as it might be. Two JTPA funded training programs for persons over the age of 21 currently being offered in Indianapolis in occupations considered traditional for males--Construction Trades Pre-Apprenticeship Training and Telephone Installation/Repair--include a GED component. Programs offered in occupations considered traditional for females--Nurse Assistant/QMA, Word Processing, and General Office Skills--do not include GED preparation. A high school diploma or GED is a prerequisite for acceptance into these programs. At present all the clients of the Central Indiana Displaced Homemaker Center are over 21, and 16% of them have not completed high school.

The heavy emphasis on training the 16 to 21 year old age group, while commendable in the light of their high unemployment rates, tends to limit the number of programs available to older workers. In reading transcripts of testimony given before the Subcommittee on Employment Opportunities in May of this year, I noted with interest the report that the effect of compliance with the 40% expenditure requirement for youth services results in 50-60% of all persons served through JTPA being 21 or under. While the high priority for increasing youth employment is undoubtedly appropriate, it seems that this requires expenditure of a disproportionate amount of the available training funds.

At this time only one program locally is geared to workers over 55--Older Worker Child Care Training, usually a low-wage, dead-end job. More attention needs to be focused on training this age-group for better paying positions. The years between 55 and retirement(though retirement may not ever be an option for some) can be desperate ones for those who must perform demanding work for low wages and who may face the additional burdens imposed by failing health and insufficient or non-existent medical insurance coverage.

For those younger women who are eligible for AFDC there are other, but related, problems. It is said that unless an AFDC recipient can find work that pays at least $5.50 per hour she cannot afford to take it. If JTPA is to fulfill its goal of helping people to get off the welfare rolls this problem must be addressed. More training must be provided for jobs that pay more than a minimum wage.

According to Department of Labor Women's Bureau estimates, there may be 80,000 displaced homemakers in Indiana. These women want to become self-supporting taxpayers rather than indigent tax consumers and they need access to strong training and employment programs in order to do so. Imagine the impact on the economy of 80,000 newly trained workers employed at even $5.50 an hour!

consumers and they need access to strong training and employment programs in order to do so. Imagine the impact on the economy of 80,000 newly trained workers employed at even $5.50 an hour! Increased buying power and tax contributions and decreased welfare costs would be immediate effects, with a resultant improvement in the financial health of the State as well as its citizens.

I would be happy to answer any questions you may have regarding this testimony. Thank you for inviting me to speak to you this morning.

DEFINITION PROPOSED BY DISPLACED HOMEMAKERS NETWORK FOR DETERMINING

JTPA ELIGIBILITY

A displaced homemaker is a person who

A. Has not worked in the labor force for a number of years, but has during that time worked in the home providing unpaid services for family members, or

Has worked in the labor force but has during that time been underemployed, and

B. Either has been dependent on public assistance or the income of another family member, but is no longer supported by that income, or

Is receiving public assistance, and

C. Is unemployed or underemployed and facing significant barriers to obtaining or upgrading employment.

SUMMARY OF JTPA TESTIMONY
OF ALICE W. SCHNUR

Displaced homemakers have special problems in entering or re-entering the job market. Often they are without specific skills or recent work experience and when they are able to find employment it is typically in entry-level, dead-end jobs which do not provide sufficient income to support themselves and their children adequately. They need help in choosing viable career directions, and training that will give them the skills they need in order to become readily employable. On-the-job training programs will give them the experience they lack and the money they need to live on till they find work.

Income eligibility guidelines need to be adjusted to suit the peculiar situation of the displaced homemaker, whose husband's income may have been considerable, but who now may have no income at all of her own.

Allowances for support services must be more fully utilized than they are at present.

The JTPA definition of displaced homemaker must be changed to include those who have been underemployed.

And the training programs must be for work that will provide an adequate income and opportunity for advancement, whatever the age of the trainee.

These changes will allow individuals to gain not only employment, but also self-respect, and will bring definite economic advantages to the State.

Thank you.

Senator QUAYLE. Thank you very much, and I thank this panel for some rather insightful suggestions. I can assure you that we will consider them all, and I think that you have brought to our attention some very important aspects of how we can see this program implemented even better.

I can assure you that your entire testimony will be inserted in the record, and if you have any additional testimony I might announce at this time that we are going to be taking written testimony for 2 weeks.

We have already had some. I know that Dick Kilborn and Marsha Oliver have both submitted written testimony. Anybody else that wants to submit additional written testimony, we are going to keep the record open for at least 2 weeks.

I thank the panel very much.

We have one final panel before the Secretary of Labor. Mr. James Abrahamson, Germaine Allen, Steve Brown, Sharon Moore, Rhonda Rhodes, and Steve Shuel.

Again I will tell the panel that we will put their entire statements in the record if they have them, and ask that they abide by the 3 minute rule.

First on the list is Mr. James Abrahamson who is the general manager of the Embassy Suites Hotel here in Indianapolis. Mr. Abrahamson.

STATEMENT OF JAMES ABRAHAMSON, GENERAL MANAGER, EMBASSY SUITES HOTEL, INDIANAPOLIS, IN; GERMAINE ALLEN, TRAINEE, INDIANAPOLIS, IN; STEVE BROWN, DIRECTOR OF FINANCIAL ANALYSIS, KNAUF FIBER GLASS, SHELBYVILLE, IN; SHARON MOORE, DISLOCATED WORKER, INDIANAPOLIS, IN; RHONDA RHODES, PARTNERS 2000 AMBASSADOR, INDIANAPOLIS, IN; STEVE SHUEL, SHUEL ADVERTISING, INDIANAPOLIS, IN

Mr. ABRAHAMSON. Good morning, Senator Quayle.

I am Jim Abrahamson, general manager, Embassy Suites, Indianapolis. I have spent 6 years in the hotel business, so I guess you can consider me somewhat of an expert in my profession.

I moved here with our company in June 1984 to set the wheels in motion for opening our new 360-suite facility which was due to open for business with a full house for the NBA All-Star Game, February 4, 1985.

When our partner, developer Herb Simon suggested I contact Marsha Oliver of the Indiana Private Industry Council, about hiring staff through a federally-funded training program, I was not sure of what I was getting into. The pressure to be operational by February was fierce. My hotel still had no windows in it, and I sure did not have time to become an expert in governmental programs.

The bottom line was, we did make our opening date and the Embassy in downtown Indianapolis hired one-third of its work force, or 32 people, through the Indiana Alliance for Jobs on-the-job training program.

I am still no more of an expert on governmental programs than I ever was, but here is what I do know. Our company believes in training in-house. Training keeps our employees loyal and committed. It makes them perform better.

This OJT Program paid us $28,000 for something we are experts at. Our company is a leading competitor in a very competitive industry. Entry-level wages average $4.50 an hour, and for downtown Indianapolis, that is higher than our new suburban Indianapolis hotel will be paying, and if people want to work in this industry, that is where they start.

A job at Embassy has a future. All of our current management staff have worked their way up with the company. New employees have the same opportunity for advancement.

Out of the more than 30 people hired through this program only three are no longer with us. What is even more exciting for us is that four of the JTPA people were promoted within 6 months of opening day. This opportunity for advancement is further enhanced by our policy of sharing profitability with our staff. When our hotel goes into the black, employees are eligible for bonuses.

We believe in being a participant in the community, hiring and training the unemployed, creating jobs. That all fits very well with our corporate image.

From what I can see, the objectives for the Job Training Partnership Act and the people of Indianapolis Alliance for Jobs fits pretty well with the objectives for Embassy Suites. As long as that continues, I trust you folks will be the Government experts, and I will stick with the hotel business. Thank you.

[The prepared statement of Mr. Abrahamson follows:]

JOB TRAINING PARTNERSHIP ACT HEARING
July 1, 1985 8:30 - 11:00 a.m.
46 E. Ohio Street, Room 216
(Judge Barker's Court)

TESTIMONY OF JIM ABRAHAMSON

Good morning! I'm Jim Abrahamson, General Manager of Embassy Suites/Indianapolis.

I've spent six years in the hotel business, so I think you can consider me an expert in my profession. I moved here with the company in June 1984 to set the wheels in motion for opening our new 350 suite facility which was due to open for business with a full house for the NBA All Star Game in February.

When our partner, developer Herb Simon, suggested I contact Marsha Oliver of the Indianapolis Private Industry Council, Inc. about hiring staff through a federally funded training program, I wasn't sure what I was getting into. The pressure to be operational by February was fierce. My hotel still had no windows in it and I sure didn't have time to become an expert on any government program!

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1. Our company believes in training in-house. Training keeps our employees loyal and committed. It makes them better performers. This OJT program paid us $28,000 for doing something we're experts at!

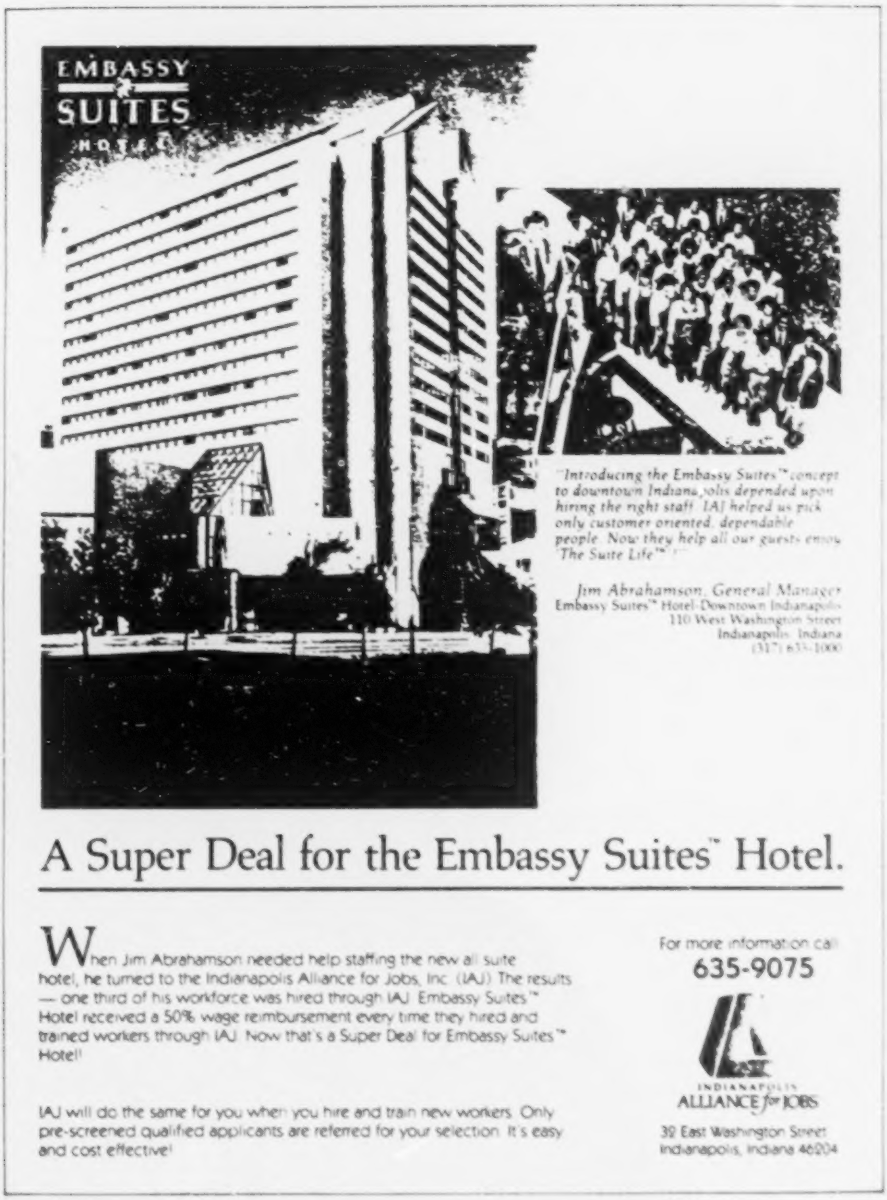
2. Our company is a leading competitor in a very competitive industry. Entry level wages average $4.50/hour for downtown Indianapolis. That's higher than what our

new suburban Indianapolis hotel will be paying and if people want to work in this industry that's where they start.

3. A job with the Embassy has a future. All of our current management staff have worked their way up with the company. New employees have that same opportunity for advancement. Out of the more than 30 people hired through this program, only three are no longer with us. What's even more exciting for us is that four of the JTPA people were promoted within six months of opening day. This opportunity for advancement is further enhanced by our policy of sharing our profitability with our staff. When the hotel "goes into the black" employees are eligible for bonuses.

4. We believe in being a "participant" in the community. Hiring and training the unemployed, creating jobs--that all fits very well with our corporate image.

From what I can see, the objectives for the Job Training Partnership Act and the people at the Indianapolis Alliance for Jobs fit pretty well with the objectives for Embassy Suites. As long as that continues, I'll trust you folks to be the government experts and I'll stick with the hotel business.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Senator QUAYLE. Thank you very much. Next is Ms. Germaine Allen who has had basic skills and vocational training in a clerical occupation and she is currently employed at the Indiana National Bank. Ms. Allen, welcome.

Ms. ALLEN. Thank you. My name is Germaine Allen. I am a mother of two beautiful children. I have a job with a future. I have friends who care about me, and most of all I care about myself, because I know that I can be anything that I want to be.

That may not sound so unusual to you, but believe me, it was not long ago that I was stuck in a rut where every day was like the day before, and I had absolutely nothing to look forward to.

I was a single parent and was living from welfare check to welfare check, and was surrounded by people with no ambition, and one day I made up my mind that I had had enough.

I started out by applying for a grant to enroll in clerical training at Indiana Vocational Technical School. The course was OK, but all I could think about was the 2 years it would take to graduate. It seemed like such a long time, and what I really wanted was a job.

My children were growing up without the things I wanted them to have. I could not afford to take them to the State fair. When my son needed new shoes, he had to wait until the check came in. I decided I had to make things happen faster. On an impulse, I looked in the phone book under "Training." An organization called Training, Inc. was listed. I had no idea it was a JTPA Program

I called, and they said the next class started in October, but first I had to apply and be tested. They told me to go to the Indianapolis Alliance for Jobs, Inc., where I was interviewed and scheduled for testing.

You never saw anyone as nervous as I was. I had quit I.V. Tech because I just knew this program was for me. I guess putting myself under that kind of pressure plus being told by my friends that they knew I could not do it because I never finished anything, really messed with my mind.

I did not do exceptionally well on the test. I was told I was an alternate and that unless someone decided to drop out of the program, I could not get in.

Well, I got a phone call shortly before class was due to start. Someone had canceled and I was in. That, and the 14 weeks that followed was the beginning of the rest of my life.

I was like a sponge, soaking up everything my instructors taught me. Accounting, typing, data entry, personal presentation, effective communication, and all the things that want ads ask for when they are trying to fill a clerical position.

The staff also "worked on my head." I know I looked motivated to the outside observer but secretly, I did not know if I could do it. My confidence in myself was so fragile, and to make it even worse, my friends tore me down every chance they got. I got almost no encouragement from my family or friends. I became an outsider to people I had known all my life. I found I had to withdraw to survive.

The staff and trainees at Training, Inc. became my new support system. I kept going and in December I graduated. Unlike some of the other trainees, though, I had yet to land a job.

I was putting in applications all over the city and in January, I got a call from American Fletcher National Bank for a part-time temporary position starting at $3.65 an hour.

I took it for the experience, but still, I had not reached my real objective, which was to get off the welfare system that I had been on since I was 17.

That did not happen until 6 months later when I was hired full time at Indiana National Bank in the installment loan department for $4 an hour.

On June 4 I celebrated my 1-year anniversary with INB. I am now making $4.25 an hour and am due for a raise soon. Another important day for me was when I received my first income tax refund. I am now a taxpayer just like you. To me, that means I want to do what I can to get others off welfare. I tell them, "Look, welfare should be temporary. Don't let it be a way of life for you. You'll never get ahead with it. It will make you lazy. It will screw up your mind if you let it."

I tell anyone who will listen that training is the way out. I have physically taken people downtown to sign up for training.

An acquaintance, I now call a friend, just got off welfare also. She is working at National Underwriters. That is one less person we—that is you and me—support with our taxes.

Well, that is my story. It took me 22 years of my life to get it together but it is going pretty good. My friend, John, also a single parent, is an electrician and he is showing me how to do electrical wiring, in case I decide a nontraditional career would be good for me.

He, alone, has been by my side all the way, and who knows, maybe we have a permanent future. But for now, I like for my children to see me hustle, so that they can have someone to look up to while they are growing up. I want them to say "My mother did it and so can I."

Senator **Quayle**. Congratulations on a very fine statement and congratulations on your employment.

Mr. Steve Brown who is director of financial analysis at Knauf Fiber Glass in Shelbyville. Mr. Brown.

Mr. **Brown**. Thank you, Senator Quayle. My name is Steve Brown and I am director of financial analysis for Knauf Fiber Glass located in Shelbyville, IN. We are a manufacturer of fiberglass insulation.

During the period of August 1983 to August 1984, I was a temporary personnel manager for Knauf. In July 1983, a decision was made to start a new fiberglass production machine which had set idle a couple years prior to that.

The startup meant the creation of close to 100 new jobs. All these jobs were filled with the cooperation of the Interlocal Association located in Shelbyville and other Interlocal Associations throughout the surrounding counties.

Since the passage of the Job Training Partnership Act in July 1984, we have hired approximately 47 more people, with again the help of the Interlocal Association.

Throughout the past 2 years, Knauf has enjoyed the following benefits from JTPA and other Federal programs. One, we have received reimbursement for training costs of the new employees; two, we have received Federal and State jobs tax credits; three, we have saved money in hiring costs because the Interlocal Association will do the prescreening for us; and four, we have all enjoyed a better overall economic outlook for Shelby County, which we are proud to be a part of.

I would also like to add my thanks to the local Interlocal Association which has been and continues to be the major source of our new employees.

I have found them to be quite professional and quite helpful. I remember one Thursday afternoon last year, when I needed to hire 20 new employees to start the following Monday.

Time was needed for physicals, orientation, et cetera. With the help fo the interlocal association we were able to perform this task.

Instead of one temporary personnel manager losing his job, 20 new people were taken off unemployment and placed into a productive status within our society.

I hope this serves the purpose of this committee today. If not, I will gladly answer any questions. I could have written more but our current personnel manager is on vacation and I have to orientate six new employees.

In closing may I say that Knauf Fiber Glass has enjoyed its involvement with JTPA and looks forward to a long-range partnership. Thanks for the opportunity.

Senator QUAYLE. Thanks very much, Mr. Brown. Next is Ms. Sharon Moore who is a former employee of RCA. She is from Indianapolis. Miss Moore, proceed.

Ms. MOORE. My name is Sharon Moore. I was selected to present to this Subcommittee on Employment and Productivity the concerns of over 100 laid-off workers of RCA Corp. of America, RCA, shown on the attached list.

We have attached the list of names of members of our group, many of whom are present today, so that you may see real people, not just numbers. People with a cumulative 1,396 years of work at RCA, most of whom are now unemployed, close to exhausting all benefits, and not presently enrolled in any retraining program.

We are willing and able to work, yet many of us, as you can see, have not worked since 1981, or as in my case, since December 1984.

We are willing to be retrained yet there are currently no programs available to us. We have reports indicating that over 300,000 jobs have been created for unemployed workers under the Job Training Partnership Act.

We have the U. S. Department of Labor report projecting a shortage of 2.5 million skilled workers by 1990, yet in our own personal experience, we find no similar program developed to retrain unemployed workers like ourselves to reenter the labor force, and our personal experience is reinforced by a November 1984 report of the U. S. Department of Labor showing that 5 million long-term workers were displaced from their jobs between 1979 and 1984, due to plant closings, relocations, the elimination of positions, and shifts, or slack work.

Somehow, we seem to fall through the cracks. We are seemingly unemployed and forgotten. We came today seeking your assistance in providing expanded opportunities for retraining, so that we might have the opportunity to acquire the necessary skills to compete for those skilled positions for which a shortgage is predicted.

We recommend that, No. 1, the Job Training Partnership Act be continued and expanded to allow more unemployed workers to participate.

No. 2, that information be disseminated on a wider basis since many like ourselves fail to utilize title III because they are unaware that the program exists, and do not know the correct channels from which to obtain this information.

No. 3, that a greater emphasis be placed on prevocational training to aid many of the younger hard-core unemployed.

We feel that increased funding for the Job Training Partnership Act is a wise investment in our Nation's future. Thank you.

Senator QUAYLE. Thank you very much, Ms. Moore.

Ms. MOORE. Senator Quayle, I would like, if you would let me just a minute, for you to see the people that are with me.

Senator QUAYLE. If they will raise their hand.

Ms. MOORE. If they would stand and raise their hand, all those that are with me, that are unemployed.

Senator QUAYLE. We welcome you, we hear you, you have a very fine statement, and I can assure you that we will continue to work with you to try to provide those opportunities that Ms. Allen has been able to find, because we are not going to, you know, give up working, until everyone that wants to work has that opportunity. You know that we will be with you.

Next is Ms. Rhonda Rhodes, a participant in Partners 2000, ambassador, second year participant in the Summer Youth Program. She is currently working as a receptionist and clerical support with the Shuel Advertising Agency here in Indianapolis.

Ms. RHODES. Thank you, Senator. I am in the Partners 2000 Program this year and I am 18 years old, and I currently just graduated from Washington High School in May. I live with my mother and my 16-year-old sister, Sherri. Sherri is also involved in the Partners 2000 Program this year for her first time. This is my second time. I remember when I was downtown one day, and I first saw the AUL building being built. I saw the building and thought it was a wonderful place to work, and so one day I walked in and asked for a job there as a secretary. The receptionist was very nice and gave me an application to fill out and a typing test.

Well, I did not get the job, but it did give me my first chance in learning what the world of working was about.

Last year, my career counselor told me about Partners 2000. I could not type very well but I was very excited about the program. I went through a job training course and learned valuable skills on interviews and other things.

Partners 2000 found me a job as a recreational assistant at Ft. Benjamin Harrison. I issued equipment, filed, learned to operate VCR equipment, learned to take telephone messages properly, and other valuable skills there.

This summer when I applied for Partners 2000, I found out that I had been selected for a Partners 2000 ambassador. I was very excited. The Partners ambassadors are a very special group of young people who set examples for other young people, and show the employees who get to see us how we really are.

I was very nervous but I got an opportunity to be on a television show on channel 6 with Mrs. Marsha Oliver. She is the president of the Indianapolis Alliance for Jobs. And I talked about being in Partners 2000. A man from an advertising agency saw me in the audience and he decided to hire a Partners 2000 young person, me. Now I have a job at Shuel Advertising Agency as a front desk receptionist. I file, do typing, do the copying and answer the phones, as well as improve my typing.

Both of my jobs through Partners 2000 have helped me upgrade my skills and have taught me a lot of new things, but the best part of my job has been the people.

I have always enjoyed working around people and talking to them, especially listening to them. My Partners 2000 job really helped to improve my communication skills. A lot of people probably think that I would say the paycheck is the best part of my job, and I will not say it does not help. It will help me an awful lot in college because I plan to go to Oakwood in Huntsville, AL. I will start there in August.

I want to become a psychiatrist and help others with their problems. I did get a grant and a scholarship but I also need the money I get from my job to help me with expenses, so the paycheck is important.

But for me, like a lot of the other young people I know, Partners 2000 is a lot more than a paycheck. It is a chance to get a headstart in life. I guess I really did not find Partners 2000; it sort of found me, and I am really glad that it did. There are probably a lot of other young people who with Partners 2000 could find them, so whatever you do, please keep Partners 2000 going. Thank you.

Senator QUAYLE. Well, thank you very much for your splendid testimony and congratulations on your job, and I wish you well in your endeavors to become a psychiatrist, and I can tell you where they need a lot of psychiatrists, is out in Washington, DC. So if you do not want to come back to Indianapolis, there are job opportunities out there. But now we will find out exactly how you are doing. We will turn now to Mr. Steve Shuel who is with Shuel Advertising and let him testify. You gave us very good testimony, Miss Rhodes.

Mr. SHUEL. Thank you, Senator. I am very proud of Rhonda, I might add. My name is Steve Shuel, coowner of Shuel Advertising Agency here in Indianapolis.

Our agency was established 14 years ago, and since that time Shuel Advertising has enjoyed success due in part to hard work, good clients, and a staff of quality employees.

We are a service business with a select clientele and a full-time staff of eight. An eight-person staff may seem small but those eight people are quality workers who turn out quality work.

Any time we consider adding to our staff, it is a big decision, and recently, we added a ninth employee to help out during our busy summer months.

I am pleased to report we still have a perfect record for hiring quality employees, and we owe that to Partners 2000. When we made the decision to hire a student through Partners 2000, we did so not entirely because of the financial incentives offered by the program.

They offered us either a tax credit or a 50-percent cash reimbursement of wages, and that certainly does help defray some of the costs, but as any businessperson knows, you do not always increase your profits or your productivity simply by employing a teenager for the summer.

Rather, you have to look at it in the long term as increasing a youngster's chances of becoming a successful, productive member of our society.

Sometimes we are so busy pursuing our profession, that we forget to be concerned with passing along some of what we know to kids who are just entering the work force.

It took Partners 2000 to remind me we can either do it now, while they are young, or we can allow them to become adults who are tax users instead of tax contributors.

Truthfully speaking, giving a kid a job is not easy. Partners 2000 asked us to teach these kids to think, to get them to apply what they have learned in a classroom to the real world, to answer questions we long ago thought would be automatic, to slow our usually hectic pace down just enough so that they can catch on. For our student, we hope that besides the paycheck, the work environment will enhance both her skills and her mind, and because Partners is aimed at in-school youth, and constantly promotes the value of continued education, whether in an academic or on-the-job environment, Shuel Advertising can agree philosophically with the program's objectives.

Like all employers, we have certain criteria set forth upon which we evaluate any employee. That list is topped by an individual's ability to communicate because that is our business.

When we saw Rhonda Rhodes appearing on a local TV talk show and heard her talk about Partners 2000, we decided that's it, we want to be a part of this. We hired Rhonda as our summer front-desk receptionist.

Hiring Rhonda was not only the first step for her; it was for us also, a chance to really be involved in somebody's life. We have challenged Rhonda to upgrade her communication and typing skills. So far she is making great progress, and by the end of the summer, we expect to take a little of the credit for this fine young lady's personal development.

I guess you could say I am a fan of the Partners 2000 summer program. Up until this summer I was like a lot of business people. I read my evening paper and watched the local news covering the program, and thought, oh, that is a nice idea. It did not occur to me it was me, not an Eli Lilley, not an Indiana Bell, not Blue Cross/Blue Shield; it was Shuel Advertising they were talking to. I want to say that when Rhonda leaves us for college this fall, it will not be the end of Partners 2000 for us, only the beginning. Thank you, Senator.

Senator QUAYLE. Well, thank you very much, Mr. Shuel, and I want to thank our three employers, and congratulate you on getting involved with the Job Training Partnership Act, and finding great talent out there like Ms. Rhodes and Ms. Allen, and we encourage you and others to work with Ms. Moore and some of the other people who have not been as fortunate, because I think you will find that people do want to work.

They want to care about themselves, if I can paraphrase what Ms. Allen said, that they all want to care about themselves and they want their friends to care about them.

I thank this panel for putting a rather human touch on the whole philosophy of the Job Training Partnership Act, and that is to help people help themselves and to try to give them the training and ability to go out there and to get a job and to be productive.

So I thank each and every one of you for a very fine statement.

Now we will ask the Secretary of Labor to join us. Our wrap-up witness today is the Honorable William Brock who is the Secretary of Labor. I might just tell the Secretary a little bit about what has happened today. We have heard from our Governor and Lieutenant Governor about their role in the program. We have heard from a couple of mayors around the State. We have heard from the chairmen of the PIC Councils. We have heard from directors and presidents of organizations that are recipients and targets of the Job Training Partnership Act. We also have heard some testimony from employers that have worked with the PIC Councils, with the Job Training Partnership Act on how they go about hiring some of these people. And on our last panel here, we had a couple of the employers, and we have a couple of the clients of the Job Training Partnership Act, a couple of young ladies that are now placed in permanent work.

As a matter of fact, one described herself before she got a job as, she did not care about herself, or her family did not care for her, her friends did not, but now that she is employed, she is happy and content, and if it had not been for this particular program, she would not have had that opportunity.

We are delighted to have you here today. As I mentioned before, we are going from here to Evansville. I would like to note that you will be speaking to the Indianapolis Economic Club later today. It is certainly my pleasure to welcome you back to Indianapolis. You have been here a number of times before but I believe this is your first trip to Indianapolis in your capacity as Secretary of Labor.

You are no stranger to this community and obviously no stranger to efficient and good government, which the Job Training Partnership Act is all about. I might say that most of the comments—we have had some very valid suggestions—but most of the comments have been along the lines that the program is working, keep it going in this direction. People on the PIC Councils particularly like the decentralization aspect.

Many people compared this very favorably to the CETA Program, primarily because of the private sector involvement, in getting the private sector to take some of their time out of their schedules to serve on these PIC Councils, to give them advice and leadership that are so desperately needed.

They enjoy the flexibility. They all would like to have additional funding. Many talked about that. Programmatically speaking, I think that it was quite favorable and we did have a couple suggestions that we might make some, oh, small amendments to fine tune the act, perhaps this year or next year, that we will be sharing with you and others once we culminate and conclude the hearings that I am going to have around the State. There will be six of them.

We have had a number of them around the country. This is the first time we have had one in Indiana. So, with that note of optimism and encouragement, welcome to Indianapolis, thank you for participating, and you may proceed as you are very capable of.

STATEMENT OF HON. WILLIAM E. BROCK III, SECRETARY OF LABOR, U.S. DEPARTMENT OF LABOR, WASHINGTON, DC

Secretary BROCK. Well, I thank you. First, let me begin by expressing two points of gratitude, one for your personal role in authoring this landmark legislation, and in guiding it through the Senate and the Congress. I think we, not only in the Department, but in the country, owe you an enormous debt of gratitude for that leadership and I am very grateful to you.

Second, I want to thank you for the hearing here in Indiana. There is a book that got a lot of attention a few years ago called "In Search of Excellence." I think the author's name was Tom Peters. You probably read it. He has got a new one called "A Passion for Excellence," and in it, he talks about the most important ingredient in successful management being a willingness to apply the rule of MBWA, which in his terms means management by walking around. And it is an effort to point out that you really cannot learn a whole lot sitting in an office.

You have got to get out and see programs as they are implemented, talk to the people that have to live with them, and that is where you get a real sense of whether they are working, and if so, why, and if they are not, why not, and how you can correct them. So I commend you for conducting field hearings in this great State, and I appreciate the leadership you have provided. We do have a different kind of program in JTPA. It is a significant change from previous Federal approaches.

For the first time we are giving employers a major role in the design and operation of a Federal training program. It is, I think, the first real significant test in recent years of a private/public partnership that draws on the knowledge and strengths of each sector. It has established a new balance on the public sector side of training and employment programs with State and local officials having assumed a fundamentally important new responsibility.

They now plan and run the programs, in consort with the private sector. We have established in JTPA that job training is the basic service and placement in self-sustaining employment is the primary objective of the program.

So again, I thank you for your own leadership. I should also pay particular tribute to Governor Orr for the role he played in developing JTPA, in pursuing its enactment, and in subsequently seeing that it was implemented, in an exemplary way, here in your own State of Indiana.

I have not been in this new responsibility, as you well know, for very long, a couple of months now, but I have devoted a lot of time reviewing our Department's programs, and I have paid special attention to the Job Training Partnership Act, because it is the centerpiece of Federal employment and training programs.

From the data we have from the first full program year, which just concluded, I am convinced that we have a sound and effective program in JTPA. Over 1 million youths and adults have been enrolled in the basic State grant program since it began in October 1983. Additional hundreds of thousands have been served under the new program for dislocated workers. These are the disadvantaged unemployed who are not likely to have much success on their own in getting a job.

Ninety-five percent of those in the Title II-A Program are economically disadvantaged. Forty-two percent were receiving public assistance and nearly half are minorities.

Because our success must ultimately be measured by the results obtained for those who participate, I have been particularly interested in how the program has performed against the national standards we set for it. The data I have seen indicate that for one of the most critical of these measures of program success, that is, entry into employment, a job, the program is far exceeeding our national standards. Sixty-eight percent of those terminating from the Title II-A Program entered jobs, and 74 percent of those who leave dislocated worker programs have found jobs, according to our most recent data. The job placement rates for adults, welfare recipients, and youth in the Title II-A Program are each substantially above the national standards set for the program.

The success in large measure is due to the efforts of those who are testifying today, before myself. Governors, private employers, local elected officials, community-based organizations, and others throughout the country have actively supported the program. The success is evidenced by the fact that in a period of severe constraint on the Federal budget, both the administration and the Congress have sought continued funding for the mainline JTPA Program.

While I am convinced we are off to a good start, I am also willing to accept the concerns that have been expressed by you, Mr. Chairman, and a number of others in our discussions with the House and Senate Labor Committees, and with the employment and training community at large.

These concerns focus on issues such as whether JTPA is adequately serving youth and the most disadvantaged among the target population; the adequacy of current performance standards, data collection and reporting requirements; and whether all responsibilities are being sufficiently and properly carried out in the JTPA system.

Mr. Chairman, I look forward to a constructive dialog with you and other members of your subcommittee on this occasion, and at future hearings, so we can make sure that JTPA is doing the best possible job of achieving the program's objectives.

I also believe that now that JTPA is up and running, and has shown what it can do, we need to address its potential for addressing problems in the labor market. These problems are many; some have been nagging us for years, while others are just beginning to make their impact.

One thing that bothers me, and I guess it comes out of my former experience as the United States Trade Representative, is that we are undergoing the fastest restructuring of our economy that this Nation has ever seen. It exceeds the pace of change in the industrial revolution in the previous century. It exceeds the pace of change that followed World War II. It is due not just to imports but to technology. The positive effect of all of this is that thousands of jobs in new industries utilizing new skills are being developed. The downside is that many older industries are in decline and many skills seem to be obsolescent in today's market. JTPA has already shown that it can help workers who have been dislocated from their jobs in declining industries. It can help prepare for jobs in the future by providing them with new skills in job search and relocation assistance.

It also has the potential, through the concept of the private-public partnership, and the structure of the PIC's, the private industry councils, of bringing about closer coordination among all of our human resource programs, and between those programs and others that impact upon the labor market, such as economic development.

I do agree witb you that it is important we take a look at these programs to see if they can be better coordinated, and perhaps in some cases integrated.

I do think it is particularly important that we not view these programs in isolation, one from another. JTPA has a major role in addressing the problem of youth unemployment. As you know, this is a problem of particular concern to me.

It can provide many disadvantaged youth with the skills they need to qualify for that first entry-level job. It can provide others with work experience so that private employers will seek them out.

But I do want to emphasize that JTPA cannot do this job alone. I have testified before your full committee urging enactment of a youth employment opportunity wage, and I seek to renew that call today. This wage, which would allow young people to be paid at 75 percent of the minimum wage when they are in their teens is a different approach, and one that I believe deserves to be tried. We can test it and evaluate it.

If we need to modify it, we can do that; if it does not work, let's can it and go on to something else. But I do think that with 16 percent of our white young people out of work, 24 percent of our Hispanics, and 43 percent of the black young people in the United States cooling their heels on the streets because they do not have a job, we owe it to them to try something more than we are doing now, and I believe this is worth that try.

In conclusion, Mr. Chairman, it is my hope that through the imaginative use of our available resources under JTPA, through the youth employment opportunity wage, and with the active partnership of the Nation's business community and organized labor, we can achieve a significant and permanent improvement in the employment situation of those who suffer special disadvantage in the labor market—youth, minorities, disadvantaged adults, welfare recipients, and dislocated workers.

I know that this is only a part of a continuing series of hearings on your part. It is, I hope, one of a number of exchanges which we will have between us on this and other issues, and I am very grateful for the thought, and the effort, the leadership you are providing in this particularly consequential field, and I look forward to working with you, and I appreciate the chance to be with you today. Thank you.

[The prepared statement of Secretary Brock follows:]

STATEMENT OF
WILLIAM E. BROCK
SECRETARY OF LABOR
BEFORE THE
SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY
SENATE COMMITTEE ON LABOR AND HUMAN RESOURCES

July 1, 1985

Mr. Chairman and Members of the Subcommittee:

I am pleased to have this opportunity to appear before you today at this oversight hearing on the operation of the Job Training Partnership Act program in Indiana. From my own experience, I appreciate the importance and value of getting out of Washington and listening to the views of citizens about how Federal programs are working.

The Job Training Partnership Act (JTPA) represents a major new approach to training and employment programs in the United States. In JTPA, for the first time, we have given employers a major role in the design and operation of Federally funded job training programs. JTPA is the first major test of a private/public partnership that draws on the knowledge and strengths of each sector. In addition, JTPA has established a new balance on the public sector side of training and employment programs, with State and local officials having assumed a number of important new responsibilties. They now plan and run the programs, in consort with the private sector. Finally, we have clearly established in JTPA that job training is the basic service and placement in self-sustaining employment is the primary objective of the program.

At this time, I would like to pay tribute to Senator Quayle, not only for holding these hearings, but for the role he has played in the design and development of this landmark legislation. Each of us here today owes him a debt of gratitude for his efforts. I would also like to pay tribute to Governor Orr for the role he played in developing JTPA, in pursuing its enactment, and in subsequently seeing that JTPA was implemented in an exemplary way in Indiana.

Although I have not been in my current position as Secretary of Labor for long, I have spent a considerable amount of time reviewing the Department's programs. I have devoted special attention to JTPA, the centerpiece of Federal employment and training programs. From the data and reports I have seen, I am convinced that we basically have a sound and effective program in JTPA.

Over one million youth and adults have been enrolled in the basic State grant program since it began in October 1983, and additional hundreds of thousands of individuals have been served under the new program for dislocated workers. These are the disadvantaged unemployed who are not likely to have much success on their own in getting a job. Ninety-five percent of those in the Title II-A program are economically disadvantaged, 42 percent were receiving public assistance, and nearly half are minorities.

Because JTPA's success must ultimately be measured by the results obtained for those who participate in the program, I have been particularly interested in how the program has performed against the national standards we have set for it. The data I have seen indicate that for one of the most critical of these measures of program success--entry into employment--the program is far exceeding our national standards. Sixty-eight percent of those terminating from the Title II-A program entered jobs, and 74 percent of those leaving the Dislocated Worker program found jobs, according to our most recent data. The job placement rates for adults, welfare recipients, and youth in the Title II-A program are each substantially above the national standards set for the program.

The success of JTPA is in large part due to the efforts of those who are testifying today. Governors, private employers, local elected officials, community based organizations and others throughout the country have actively supported the program. The success of the program is evidenced by the fact that, in a period of severe constraints on the Federal budget, both the Administration and the Congress have sought continued steady state funding for the mainline JTPA programs.

While I am convinced that JTPA is off to a very good start, I also recognize that there are concerns about the program that need to be addressed. Mr. Chairman, you have personally expressed some of these concerns to me and additional concerns have been brought to my attention in discussions with other members of the House and Senate Labor Committees, and the employment and training community at large. These concerns focus on issues such as whether JTPA is adequately serving youth and the most disadvantaged among the target population; the adequacy of current performance standards, data collection and reporting requirements; and whether all responsibilities are being sufficiently and properly carried out in the JTPA system.

Mr. Chairman, I look forward to a constructive dialogue on these issues with you and other members of your Subcommittee, at this and at future hearings, so that we can make sure that JTPA is doing the best possible job in achieving the program's objectives. I also believe that now that JTPA is up and running and has shown what it can do, we need to consider its potential for addressing problems in the labor market. These problems are many; some have been nagging us for years, while others are just beginning to make their impact.

Rapid changes in the world's and our own economy are resulting in a restructuring of our labor market. The postive effect of this is that thousands of jobs in new industries, utilizing new skills, are being created. The down side is that many older industries are in decline and many skills are obsolescent. JTPA has already shown that it can help workers who have been dislocated from their jobs in declining industries, prepare for jobs with a future by providing them with new skills and job search and relocated assistance.

JTPA also has the potential, through the concept of the private-public partnership and the structure of the PICs, of bringing about closer coordination among human resource programs, and between those programs and others that impact on the labor market, such as economic development. Mr. Chairman, I agree with you that it is important that we take a look at these programs to see if they can be better coordinated and perhaps in some cases integrated. I think it is particulary important that we not view these programs in isolation from one another.

JTPA also has a major role to play in addressing the problem of youth unemployment. As you know, this a problem that is of special concern to me. JTPA can provide many disadvantaged youth with the skills they need to qualify for that important first entry level job. It can provide others with work experience so that private employers will hire them. However, I want to emphasize that JTPA alone cannot do the whole job in solving this problem.

I have testified before the full Labor and Human Resources Committee urging enactment of a Youth Employment Opportunity Wage, and I renew that call today. The Youth Employment Opportunity Wage is a different approach that deserves to be tried. We can test the idea and evaluate it. If we need to modify it, we can do so. If it doesn't work, we can move on to something else. But we owe it to the youth of our country to at least try this promising approach on an experimental basis.

In conclusion, Mr. Chairman, it is my hope that through imaginative use of our available resources under JTPA, through the Youth Employment Opportunity Wage, and with the active partnership of the Nation's business community and organized labor, we can achieve a significant and permanent improvement in the employment situation of those who suffer special disadvantages in the labor market--youth, minorities, disadvantaged adults, welfare recipients and dislocated workers. I know that this will be part of a continuing series of exchanges with this Subcommittee on JTPA and other isues and I look forward to working with you.

At this time I would be pleased to answer any questions that you may have.

Senator QUAYLE. Well, thank you very much, Mr. Secretary, and you are absolutely right. This is just sort of a beginning to establish a record to find out how the implementation of JTPA in fact is working.

Today is the first anniversary of the program year. We start our second year. Therefore it is incumbent upon us to sort of get out there and find out what is going on, and I certainly appreciate your coming to Indianapolis here today, and on to Evansville later on, to hear what the concerns are of the people and to try to work with us in the Congress to develop any kind of additions, or clarifications, amendments—whatever—that is necessary to make sure that this is the most effective program.

Because I know you are concerned. I know the President is concerned. We want to provide jobs and opportunities for people that want to work, and we have people that want to work, that do not have employment right now.

I might just ask one question. Two issues came up this morning you might want to respond to. One of the issues dealt with the whole clarification on the performance standards and what is precisely a performance standard. This was mentioned by a couple of the PIC people, and also, some of the targeted populations on what precisely is the qualifications to see these performance standards.

I think basically people are glad the performance standards are there, as compared to CETA, where there were not any performance standards. It had no objectives. But under this there may be some change in the policy of what constitutes a performance standard.

The best performance standard is to make that placement of that individual into a job. That is not always the case. Sometimes, if you can get them trained, eligible for a job, that this is certainly a performance standard. That was one issue that came up by a couple of our witnesses.

And the other one that came up was to just sort of make certain—it goes along with your last point there where you talk about the youth unemployment, and particularly the minority youth unemployment where the Hispanic unemployment was what, 27 percent?

Secretary BROCK. Twenty-four for Hispanic; 43 for black. Those are insane numbers.

Senator QUAYLE. Which are really large, large numbers, and it gets to this whole issue—they call it "creaming," or so many of the critics call it "creaming," that at times we are not getting down to that really hard-core unemployed that we ought to be doing, particularly with a Federal program.

As you know and I know, there are billions of dollars spent each and every year by the private sector on training; they have training programs. But this is a government program, a Federal program, working with State and local units, and some of the people say that we are not getting down far enough into that hard-core unemployed, which is certainly a design and intent of myself, and I know it is of you, in talking to you.

I wonder if you might just want to answer those two things, on the performance standard issue, and getting to the hard-core unemployed.

Secretary **Brock**. Well, first of all, in the setting of performance standards, it is my belief that about all we should do from the Federal level is to provide funds and performance standards, so that there is some measurement by which people can evaluate whether or not they are doing what they are supposed to do.

But I really believe that the basic delineation of those standards should be negotiated between the Governor, the State, and the local districts that are trying to put this program into place.

I think one of the reasons I am so enamored of this program is that it draws upon that enormous instinct for creativity that exists in every community in this country. People want to solve their problems in their own home town, and to the extent we meddle with their capacity to do that, we make it more difficult; to the extent that we give them support and some very large generally stated goals, I think we can be very helpful. I think part of the problem in the performance standards is that there has been a little bit of confusion over what they mean.

Some areas have defined an effective placement as someone who gets the job the day they get out of the program. Some others want to be sure that he's got a job, or she's got a job 30 days hence; others will hold them in the program, by definition, until they get a job, so it makes their statistics look better. We do need more uniformity in the way these criteria are established.

I also would love to spend some time talking with you about how we could bring this program more effectively to bear on those most in need of help. I think we have done a pretty good job of that. If you look at the statistics, 95 percent of the participants are disadvantaged. That is phenomenal and a very positive result. About half are minorities. That says something very important about removing a disadvantage that has come about not only because of economic circumstance but because of discrimination.

So I think we are making a lot of progress. Whether or not some modification in the standards, either between us and the States or between the States and the communities is warranted, I am not quite sure. We sure are willing to look at it because we, I think, share completely that objective of getting the program down to the root problem, which are those people that have almost no hope for success today in their economic environment.

Senator **Quayle**. Mr. Secretary, we certainly thank you for your visit here to Indianapolis. We look forward to working with you very diligently in your new capacity as Secretary of Labor. We know you will do an outstanding job as you have in past public service, and with that, the Committee here, at least in Indianapolis, will stand in adjournment. Thank you.

[Additional material supplied for the record follows:]

CITY OF INDIANAPOLIS

WILLIAM H HUDNUT III
MAYOR

I am William H. Hudnut, III, Mayor of the City of Indianapolis, Indiana. Our administration has and will continue to be a strong supporter of the Job Training Partnership Act.

The Job Training Partnership Act has given local government the wherewithal to attract the Private Sector to become actively involved in job training programs. At this time, I would like to thank the private sector representatives on our Private Industry Council for their commitment. It is that commitment that has made the Job Training Partnership Act work here in Indianapolis.

It is the feeling of our administration that the funding level should be increased or, at a minimum, maintained at its current level. The demographics of our Service Delivery Area indicated that there are several thousands more individuals eligible to be served than we can possibly serve at the current funding level.

We further find that the biggest need is for basic educational skills that are necessary to get a person to the level where they can even qualify to enter a skills training program. This requires an investment of more time and funds than current performance standards would realistically allow.

Our other area of concern is that of summer youth employment opportunities. Currently, the targeted jobs tax credit has allowed our Private Industry Council to take its effort to the private sector and virtually match each summer job in the public sector with one in the private sector. Quite frankly, without an extension of this particular tax credit, I am concerned that many of our young persons will not have an opportunity for employment next summer.

I thank you for taking the time to investigate the success of this program, and hope your findings will give you reason to show your positive support. The JTPA certainly works in Indianapolis. Thank you.

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JOB TRAINING PARTNERSHIP ACT HEARING

July 1, 1985 8:30 - 11:00 a.m.
46 E. Ohio Street, Room 216
(Judge Barker's Court)

TESTIMONY OF MARSHA M. OLIVER

Senator Quayle, I am pleased today to offer comment on the Job Training Partnership Act. It has become your custom to take stock of JTPA progress by hearing from America's program practioners, participants, business and political leaders. I can assure you this open review process is welcomed by all, and contributes greatly to the betterment of job training services around the country.

Your landmark legislation has joined communities in the task of training and employing low income citizens. Compared to years past, more service is being offered at better prices, far more youth are participating, creative local program design is flourishing, and the central objective of putting people to work is being realized almost beyond imagination. Among the JTPA features most responsible for these successes is the concept of performance standards. Measuring the good which accrues from tax expenditures is restoring public confidence in the management of safety net programs.

Because I am convinced of the value of performance standards, I will approach my topic today with great care. This topic is the relationship among the Dept. of Labor, Governors and Service Delivery Areas in the setting of performance standards.

I believe it is the essential purpose of JTPA to achieve excellence in service to persons of great need. In theory, the national performance model accounts for relative difficulty in training certain population segments, and therefore, an SDA which "takes the plunge" by enrolling large numbers of the "hard to serve" will be accountable to somewhat easier standards. In my program, I discovered after 18 months of JTPA that no Indiana SDA (there are 17) served a higher percentage of high school dropouts and offenders than I did. My Private Industry Council Board of Directors is, in fact, pleased by these returns.

Indeed, not only were large numbers and percentages of the "hard to serve" being enrolled, I also found I was over the top of the range on 5 national standards, and within range on the other 2. If the rules had called for this track record being subject to Dept. of Labor consideration, I surmise I would have been a candidate for 6% incentive money, based on performance excellence. Given Indiana administration of JTPA, my SDA will not be a candidate for incentives. This results from Indiana's definition of excellence, namely, that an SDA must "go over the top" on adult and adult/welfare placement, adult average wage and youth placement rates in order to receive 6% incentive money. I was snagged only on the adult average wage, and therefore face the prospect of losing these funds.

Faced with the choice of reducing service to offenders (my adult offenders are earning wages averaging only $3.50/hour because they are taking any job they can find as a condition for release from jail), or losing out on incentive money, the Indianapolis Private Industry Council swallowed hard and decided to forego incentive money.

What I observe here is not a Governor remiss in his administration of JTPA, nor a performance standards system that forces "creaming." Instead, I see confusion on everyone's part as to the authority of Governors to accommodate special SDA circumstances in setting performance standards.

It now appears the Dept. of Labor is taking action to clarify and expand Governors' authority to adjust performance standards for special local circumstances. I applaud these efforts, and encourage you, Senator, to support movement in this direction. A recent DOL Technical Assistance Guide contains refreshing language advising Governors to negotiate performance standards on an individual Service Delivery Area basis. I welcome this, and have requested the State of Indiana to exercise this authority for the good of Marion County and all the State's hard-to-serve populations.

Let me emphasize that I am not supporting, and will never support dispensing with performance standards. Rather, I promote flexibility so that excellent program management and service to special populations can live side by side.

I have cited service to offenders to illustrate the need for creative standard-setting, but there is a much larger special population whose interests will (and must) be served. These are our high school dropouts, particularly those who are functionally illiterate. My county is the home of 765,000 people, 178,000 of whom are age 16 or older and haven't finished high school. By no means are we extraordinary among America's cities. At the same time, literacy is the cornerstone of the modern labor force. Gone are the days when workers could take refuge from academic challenge by going to the factory. More than half of America's employers are now faced with providing basic high school education to employees, according to a study by the Center for Public Resources.

Can the Job Training Partnership Act live in isolation from this reality? I have nearly 30,000 high school dropouts among my eligible population. Skill training is untouchable for most of those given their basic education deficiencies. Public school Adult Basic Education resources have seen no appreciable increase in several years. The question is no longer whether JTPA programs can provide equitable service to dropouts as required by the Act, but how much beyond this level we should go in light of the overwhelming need and the scarcity of non-JTPA educational dollars.

This too is a major performance standard issue. The national average enrollee's time in JTPA training last year was only 12 weeks. Tackling illiteracy - a time-consuming, expensive project - simply cannot enter the JTPA picture unless Governors obtain (and exercise) broad discretion in standard-setting for educational remediation. I recommend ~~recomemend~~ that services to functionally illiterate persons receive specific attention in the performance standard system.

Senator, I have been pleased to offer these comments. I will say again your receptiveness to the opinions of JTPA policy makers, participants and practioners is widely appreciated. I am sure you are pleased, as we are, with the great progress made so far under your legislation.

Marsha M. Oliver
President
Indianapolis Private Industry Council, Inc,.

JOB TRAINING PARTNERSHIP ACT HEARING

July 1, 1985 8:30 - 11:00 a.m.
46 E. Ohio Street, Room 216
(Judge Barker's Court)

TESTIMONY OF RICHARD C. KILBORN

Senator Quayle, it is my pleasure to offer comment on the progress of the Job Training Partnership Act to date in Indianapolis. I appreciate good customer service, and I consider your continued support of and interest in JTPA a quality service to the distributors and users of the program.

It seems hard to believe that only two years ago we still had CETA, a program which probably holds an all-time record for bad press. The memory of CETA has faded quickly because of the immediate, far-reaching and well-publicized success of JTPA. Congratulations to you for introducing an alternative that business doesn't just tolerate, but has gladly embraced. In our city, over 300 businesses have come forth to hire disadvantaged youth for the summer. Another 540 have trained people on the job. There is no question about it - being a member of the Indianapolis Private Industry Council is viewed with prestige. There is not a council member who would not go "on the record" in support of JTPA programs. Business members of the Council have contributed their names, their status within their own organizations and their personal commitment to delivering jobs for people.

I am interested in maintaining and expanding this business eagerness to serve unemployed citizens, as I know you are. Here are some suggestions on how this might be done:

- First, minimize red tape. For example, I thought the two-year planning cycle under the Act would mean we would prepare the equivalent of a short-term business plan, then carry it out, taking stock at mid-cycle. Instead, it appears we are to rewrite the plan annually. This is time spent on compliance activity which is better invested in developing more creative and effective programs.

- Second, support a performance standard system which makes sense in daily business decisions. For example, a major new hotel just opened up in downtown Indianapolis, hiring 32 of our trainees (many of them inner city residents). The wages paid are excellent for the hotel industry, but not as high as the "model-preferred" level, given to us by the Dept. of Labor and the State of Indiana. Thus, we had to ask ourselves whether entering this economic development partnership - the direct linking of people needing job training to the growing downtown economy - would cripple our performance standing with the State. This is certainly ironic since all agree in principle that employing low income people is the bottom line. We prefer not to be boxed in on such matters. All jobs are valuable, especially those "starter" jobs for people who are seriously launching into work for the first time.

- Third, retain the Targeted Jobs Tax Credit. There is no question hundreds of inexperienced young people desperately in need of that first job are being hired during the summer because employers have the sting taken out by TJTC. This is my idea of a bargain for both employer and young person. This is America's future work force we're talking about. I look at national statistics showing 40% of minority youth unemployed. With just a little help, business can cut deeply into those numbers. I know it works judging by Partners 2000.

- Fourth, establish a local business involvement award for JTPA. I am familiar with one Senator's award for the most wasteful use of tax monies (the "Golden

Fleece", is it?) How about a serious one - a Senatorial award for the effective and consistent involvement of a local business community in the planning, execution and support of JTPA?

Senator, I am personally very excited about the coming of age of business participation in our safety net programs. Your legislation has opened up this avenue wide, and I am pleased to be traveling the road with you. Keep up the good work, and thanks for having us.

Richard C. Kilborn
Chairman of the Board
Indianapolis Private Industry Council, Inc.

Area 12 Council on Aging
P.O. Box 97 Dillsboro, Indiana 47018 (812) 432-5215

September 16, 1985

Renee Coe
Subcommittee on Employment & Productivity
SD 428
Washington, D.C. 20510

Dear Ms. Coe:

Having been unable to attend the recent oversight hearing in New Albany, Indiana, we wish to submit the following statement for consideration in "fine tuning" JTPA legislation in 1986.

The 10% window on income eligibility [150% of poverty level] should apply to the 3% money set aside for the elderly under JTPA. This would significantly increase the number of older persons qualifying for JTPA training. This change would make the program equatible with regard to age and would bolster the placement rate for older persons because many of these programs are having great difficulty recruiting and placing older workers.

We appreciate Senator Quayles's consideration in this matter.

Sincerely,

George R. Brown

George R. Brown
Associate Director

GRB/jkp
cc: Sally Beckley

Serving the People in the Counties of Dearborn, Jefferson, Ohio, Ripley, Switzerland

TESTIMONY PRESENTED TO
SENATOR DAN QUAYLE'S JTPA COMMITTEE
ON 6/5/85
BY JON FRANKLIN,
AREA 12 COUNCIL ON AGING SENIOR EMPLOYMENT DIRECTOR

As a representative of the Area 12 Council on Aging, my primary interest in the Job Training Partnership Act is in it's effectiveness in meeting the needs of the older worker.

The older worker is without a doubt one of the segments of our population that has it's own set of unique employment demands and problems. This fact is recognized within JTPA by the 3% set-aside and the inclusion of the older worker in the list of barriers that constitute the criteria for the utilization of the 10% provision for services to non-income eligible JTPA applicants. However, two specific problems still exist with the effective delivery of JTPA services to the older worker population of Indiana, and as an advocate for this population, I'm compelled to seek appropriate modifications to the JTPA.

Currently the Indiana Office of Occupational Development contends that paragraph 124 Section D of the JTPA legislation precludes the utilization of the 10% provision for the older worker being served with 3% set-aside funds. A strict interpretation of this section would seem to support IOOD's position. However, this interpretation overlooks the older worker's special circumstances and needs. An older worker faces barriers to employment regardless of their income status, and limiting program accessibility to only income eligible older workers is neglecting a substantial group of workers that could benefit from JTPA. This fact needs to be recognized and corrective action needs to be taken.

The second problem with JTPA for the older worker is the criteria needed to constitute a placement. (Minimum wage for at least 20 hours a week). This standard is contrary to many older workers' needs and desires. For many semi-retired people the need for supplemental income exists. However, this need can often be fulfilled by working 10-15 hours a week. Additional income above this amount often will decrease Social Security benefits and is seen as being counterproductive. Therefore, this fact needs to be recognized and appropriate standards set for the older worker's special cirsumstances.

So in conclusion, I would like to add that overall JTPA is working for the older worker in Indiana, but with a few modifications we can make it work even better for this population.

South Central Indiana

Council for the Aging & Aged, Inc.

Area 14 Agency

134 E. Main Street New Albany, Indiana 47150 Telephone (812) 948-9161

(Serving Clark, Floyd, Harrison and Scott Counties)

APR 25 1985

April 23, 1985

Senator Dan Quayle
Room 447, 46 East Ohio Street
Indianapolis, IN. 46204

Dear Senator Quayle:

We are in the process of applying for Job Training Partnership Act 3% set-aside funds to operate an older worker employment program in our area. It has been brought to our attention the 10% provision for services to non-income eligible individuals does not apply to older worker programs.

Section 124 (d) of the act, evidently, is the basis for this disallowance. However, this section appears to conflict with Section 203 (2) which states "up to 10 percent of the participants in all programs in an SDA receiving assistance under this part may be individuals who are not economically disadvantaged if such individuals have encountered barriers to employment. Such individuals may include, but are not limited to those who have limited English-language proficiency, or are displaced homemakers, school dropouts, teenage parents, handicapped, older workers, veterans, offenders, alcoholics or addicts".

Since being an older worker is conceived as a barrier to employment, and indeed it is, it appears contradictory to eliminate this segment of the population from the 10% exception to income eligibility.

We respectfully request your support of a change in Section 124 (d) to eliminate this inequity.

Sincerely,

Patricia Jewell

Patricia Jewell
Executive Director

cc: Tom Krudy, Executive Director
Indiana Office of Occupational Development

Route 12 Box 12 Norway Drive
Muncie, Indiana 47302
September 3, 1985

Senator Dan Quayle
447 Old Federal Building
46 East Ohio Street
Indianapolis, Indiana 46204

Dear Senator Quayle:

Enclosed is an article which appeared in the Muncie Star, May 1984. At the time this newspaper article was written, many of us (parents) had only a dream and a plan for job training for our disabled youth.

During the task force's search for funds, we connected with the Job Training Partnership Agency office in Muncie. Thanks to the efforts of Judy Smith, the JTPA Program and Activities Manager, and Raymond Starks, Director of Operations, JTPA, a pilot work experience program was funded and implemented for fifteen disabled youth. In December 1984, the program expanded to include opportunities for thirty youth. This summer sixty-two youth were enrolled in this training effort jointly sponsored by JTPA and Ball State University.

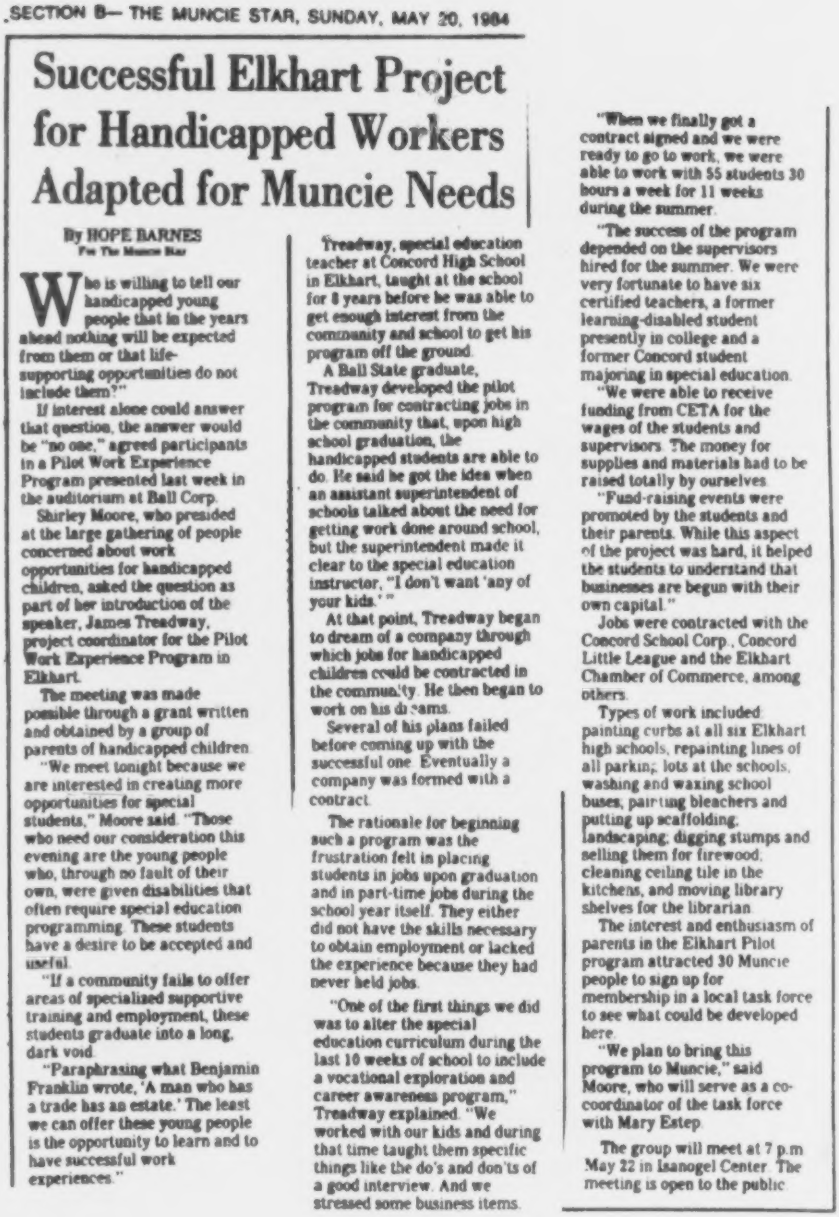
The success of this project has been phenomenal as evidenced by the excitement of participants, parents, trainers and community supporters. The growth in the youth's personal social development and self-esteem has exceeded all expectations. As the youth worked on job contracts out in the community, attitudes toward the handicapped have begun to change. I know this is only the beginning of many good things yet to be developed for our disabled youth.

As a parent of a twenty-one year old daughter, Carrie, who is mentally handicapped, I thank you for creating a funding source to address the needs of handicapped young people. I now feel we can offer Carrie some hope for her future. Until the concept of JTPA funding was introduced to me, I saw nothing ahead for Carrie past her high school graduation.

On August 26,1985, I attended a JTPA hearing in Muncie, Indiana conducted by some of your staff. I am aware a member of your staff visited Ball State University this past summer to observe the expanded program. This individual spoke very highly of what he had observed.

Since your busy schedule prevented your attendance at this hearing, I wanted to write you to personally comment on one JTPA program that has been extremely successful in the Muncie area. Please continue to legislatively address the concerns of the disabled.

Sincerely,
Shirley L. Moore
Shirley L. Moore



SECTION B— THE MUNCIE STAR, SUNDAY, MAY 20, 1984

Successful Elkhart Project for Handicapped Workers Adapted for Muncie Needs

By HOPE BARNES
For The Muncie Star

Who is willing to tell our handicapped young people that in the years ahead nothing will be expected from them or that life-supporting opportunities do not include them?"

If interest alone could answer that question, the answer would be "no one," agreed participants in a Pilot Work Experience Program presented last week in the auditorium at Ball Corp.

Shirley Moore, who presided at the large gathering of people concerned about work opportunities for handicapped children, asked the question as part of her introduction of the speaker, James Treadway, project coordinator for the Pilot Work Experience Program in Elkhart.

The meeting was made possible through a grant written and obtained by a group of parents of handicapped children.

"We meet tonight because we are interested in creating more opportunities for special students," Moore said. "Those who need our consideration this evening are the young people who, through no fault of their own, were given disabilities that often require special education programming. These students have a desire to be accepted and useful.

"If a community fails to offer areas of specialized supportive training and employment, these students graduate into a long, dark void.

"Paraphrasing what Benjamin Franklin wrote, 'A man who has a trade has an estate.' The least we can offer these young people is the opportunity to learn and to have successful work experiences."

Treadway, special education teacher at Concord High School in Elkhart, taught at the school for 8 years before he was able to get enough interest from the community and school to get his program off the ground.

A Ball State graduate, Treadway developed the pilot program for contracting jobs in the community that, upon high school graduation, the handicapped students are able to do. He said he got the idea when an assistant superintendent of schools talked about the need for getting work done around school, but the superintendent made it clear to the special education instructor, "I don't want 'any of your kids.' "

At that point, Treadway began to dream of a company through which jobs for handicapped children could be contracted in the community. He then began to work on his dreams.

Several of his plans failed before coming up with the successful one. Eventually a company was formed with a contract.

The rationale for beginning such a program was the frustration felt in placing students in jobs upon graduation and in part-time jobs during the school year itself. They either did not have the skills necessary to obtain employment or lacked the experience because they had never held jobs.

"One of the first things we did was to alter the special education curriculum during the last 10 weeks of school to include a vocational exploration and career awareness program," Treadway explained. "We worked with our kids and during that time taught them specific things like the do's and don'ts of a good interview. And we stressed some business items.

"When we finally got a contract signed and we were ready to go to work, we were able to work with 55 students 30 hours a week for 11 weeks during the summer.

"The success of the program depended on the supervisors hired for the summer. We were very fortunate to have six certified teachers, a former learning-disabled student presently in college and a former Concord student majoring in special education.

"We were able to receive funding from CETA for the wages of the students and supervisors. The money for supplies and materials had to be raised totally by ourselves.

"Fund-raising events were promoted by the students and their parents. While this aspect of the project was hard, it helped the students to understand that businesses are begun with their own capital."

Jobs were contracted with the Concord School Corp., Concord Little League and the Elkhart Chamber of Commerce, among others.

Types of work included painting curbs at all six Elkhart high schools, repainting lines of all parking lots at the schools, washing and waxing school buses, painting bleachers and putting up scaffolding, landscaping; digging stumps and selling them for firewood; cleaning ceiling tile in the kitchens, and moving library shelves for the librarian.

The interest and enthusiasm of parents in the Elkhart Pilot program attracted 30 Muncie people to sign up for membership in a local task force to see what could be developed here.

"We plan to bring this program to Muncie," said Moore, who will serve as a co-coordinator of the task force with Mary Estep.

The group will meet at 7 p.m May 22 in Isanogel Center. The meeting is open to the public.

STATEMENT OF

CUSTA N. MILLER, CAE, EXECUTIVE DIRECTOR
INDIANA ASSOCIATION OF REHABILITATION FACILITIES, INC.

CHAIRMAN, GOVERNOR'S PLANNING COUNCIL
ON DEVELOPMENTAL DISABILITIES

MR. CHAIRMAN, MY NAME IS CUSTA N. MILLER. I AM THE EXECUTIVE DIRECTOR OF THE INDIANA ASSOCIATION OF REHABILITATION FACILITIES. I AM ALSO CHAIRMAN OF THE GOVERNOR'S PLANNING COUNCIL ON DEVELOPMENTAL DISABILITIES.

IN-ARF IS A STATEWIDE NOT-FOR-PROFIT MEMBERSHIP ORGANIZATION REPRESENTING FIFTY-FIVE COMMUNITY-BASED REHABILITATION FACILITIES SERVING OVER SEVEN THOUSAND DISABLED PERSONS ANNUALLY. IN-ARF IS A CHAPTER OF THE NATIONAL ASSOCIATION OF REHABILITATION FACILITIES REPRESENTING OVER FIVE HUNDRED MEMBERS WHICH PROVIDE COMPREHENSIVE REHABILITATION SERVICES TO OVER FOUR HUNDRED THOUSAND DISABLED INDIVIDUALS.

REHABILITATION FACILITIES THROUGHOUT INDIANA PLAY A ROLE IN INDIANA'S VOCATIONAL EDUCATION, TRAINING AND EMPLOYMENT SYSTEM. OVER SEVEN THOUSAND DISABLED CITIZENS [illegible]Y RECEIVE SERVICES IN VOCATIONAL AND PHYSICAL REHABILITATION VOCATIONAL EVALUATION, WORK ADJUSTMENT, PERSONAL AND SOCIAL ADJUSTMENT, TRANSITIONAL AND EXTENDED EMPLOYMENT, AND JOB PLACEMENT.

IN-ARF HAS BEEN DIRECTLY INVOLVED IN EMPLOYMENT AND TRAINING SERVICES SINCE WE BEGAN OPERATIONS TWELVE YEARS AGO. SINCE THE ADVENT OF THE JOB TRAINING PARTNERSHIP ACT, IN-ARF HAS BEEN ASSISTING REHABILITATION FACILITIES IN THEIR RESPECTIVE SERVICE DELIVERY AREAS TO UNDERSTAND AND TO PARTICIPATE IN THE JOB TRAINING PARTNERSHIP ACT. THIS INCORPORATES EFFORTS WHICH ENSURE THAT SEVERELY HANDICAPPED PERSONS ARE ABLE TO ACCESS JTPA PROGRAMS AND THAT REHABILITATION FACILITIES BECOME APPROVED PROVIDERS OF SERVICES IN EACH OF INDIANA'S SERVICE DELIVERY AREAS.

THE U.S. SENATE EMPLOYMENT AND PRODUCTIVITY SUB-COMMITTEE HAS INDICATED THAT THE PURPOSE OF THESE HEARINGS IS TO DEVELOP BACKGROUND INFORMATION REGARDING STATE IMPLEMENTATION OF THE JOBS TRAINING PARTNERSHIP ACT AND IDENTIFY SPECIFIC ISSUES AND CONCERNS SURROUNDING LOCAL IMPLEMENTATION EFFORTS.

GAINS IN BOTH PUBLIC POLICY AND AWARENESS HAVE BEEN EVIDENCED IN INDIANA DURING THE PAST THREE YEARS IN THE EMPLOYMENT AND TRAINING ARENA. WITH THE ADOPTION OF THE STATE OF INDIANA'S POLICY FOR VOCATIONAL EDUCATION, TRAINING AND EMPLOYMENT, AND THE SUBSEQUENT

ADOPTION OF THE GOVERNOR'S COORDINATION CRITERIA AND SPECIAL SERVICES PLAN, THE FOUNDATION HAS BEEN SET FOR THE STATE OF INDIANA TO MAINTAIN ITS LEADERSHIP ROLE. THE STATUTE, INDIANA'S POLICY AND THE GOVERNOR'S PLAN ESTABLISH DIRECTION FOR THE STATE WITH RESPECT TO COOPERATION, COLLABORATION, AND COST-EFFECTIVE MANAGEMENT OF JOB TRAINING PARTNERSHIP ACT PROGRAMS. A MOST IMPORTANT FACTOR, HOWEVER, IS TO ENSURE THAT LOCAL PROGRAM IMPLEMENTATION MEETS THE STATUTORY INTENT AND THAT THE GOVERNOR'S MANDATE IS STRONGLY ADHERED TO.

WITH RESPECT TO SERVICES FOR HANDICAPPED PEOPLE, THE DEPARTMENT OF LABOR REPORTED THAT NATIONALLY, 7.3% OF BOTH ADULTS AND YOUTH SERVED BY THE JTPA PROGRAMS ARE HANDICAPPED. MOREOVER, THE DEPARTMENT CLAIMED THIS AS AN IMPRESSIVE FIGURE. THE LEVEL OF PARTICIPATION, HOWEVER, FALLS SHORT OF THE 10% LEVEL ACHIEVED UNDER THE OLD COMPREHENSIVE EMPLOYMENT AND TRAINING ACT (CETA) WHICH EXPIRED IN 1982.

STAFF FOR THE PRESIDENT'S COMMITTEE ON EMPLOYMENT OF THE HANDICAPPED (PCEH) HAS GLEANED DEPARTMENT OF LABOR STATISTICS TO

DETERMINE THE LEVEL OF PARTICIPATION OF HANDICAPPED PERSONS IN THE JOB TRAINING PARTNERSHIP ACT. IN INDIANA, FOR THE PERIOD OCTOBER 1983 THROUGH JUNE 1984, ONLY 3.3% OF ALL PARTICIPANTS IN THE ADULT TITLE II-A PROGRAMS WERE DISABLED. HANDICAPPED PERSONS REPRESENTED ONLY 4.2% IN YOUTH PROGRAMS. THE COMBINED FIGURES DEMONSTRATE THAT HANDICAPPED PERSONS REPRESENT ONLY 3.6% OF THE TOTAL PROGRAM. FOR THE PERIOD JULY 1, 1984 THROUGH MARCH 31, 1985, THE INDIANA OFFICE OF OCCUPATIONAL DEVELOPMENT REPORTED NINE HUNDRED FIFTEEN (915) TOTAL PARTICIPANTS WERE HANDICAPPED FROM A TOTAL OF TWENTY-TWO THOUSAND THREE HUNDRED AND THREE (22,303). THIS RATE REFLECTS A 4.1% OF TOTAL PARTICIPATION IN THE PROGRAM BY HANDICAPPED HOOSIERS.

THE STATUTE REFERENCES REHABILITATION FACILITIES UNDER THE DEFINITIONS CONTAINED IN SECTION 4, NUMBER 5. THIS SECTION ESTABLISHES A CONCRETE RELATIONSHIP BETWEEN JTPA AND REHABILITATION FACILITIES, AND SUGGESTS THAT FACILITIES SHOULD BE UTILIZED AS SERVICE PROVIDERS. IN INDIANA, THIS RELATIONSHIP HAS TRANSLATED INTO ONLY NINETEEN (19) CONTRACTS, IN NINE SDA'S, WITH REHABILITATION FACILITIES FOR SERVICES TO HANDICAPPED PERSONS.

UNFORTUNATELY, THERE ARE EIGHT SERVICE DELIVERY AREAS IN THE STATE WHERE NO CONTRACTS WITH REHABILITATION FACILITIES EXIST TO PROVIDE SERVICES TO HANDICAPPED PEOPLE.

DESPITE THE GREAT NEED FOR EMPLOYMENT AND TRAINING ASSISTANCE, AMERICANS WITH PHYSICAL AND MENTAL HANDICAPS, ESPECIALLY SEVERELY HANDICAPPED CITIZENS, RECEIVE A RELATIVELY SMALL SHARE OF JTPA SERVICES. IN AN EFFORT TO OPEN AND TO IMPROVE EMPLOYMENT AND TRAINING SERVICES, JTPA HAS (1) INCLUDED REHABILITATION FACILITIES IN THE DEFINITION OF COMMUNITY-BASED ORGANIZATIONS, (2) ALLOWED THAT HANDICAPPED PERSONS BE DETERMINED A FAMILY OF ONE, AND (3) INCLUDED A 10% PROVISION WHICH ALLOWS PEOPLE WITH SUBSTANTIAL BARRIERS TO EMPLOYMENT BE INCLUDED FOR SERVICES, REGARDLESS OF THEIR INCOME.

IN INDIANA, THE GOVERNOR'S PLAN REQUIRES A LOCAL JOB TRAINING PLAN TO DESCRIBE WHY SUBSTITUTE SERVICES ARE NEEDED OR HOW THEY WOULD BE MORE EFFECTIVE THAN EXISTING SERVICES. IN MY ESTIMATION, THESE POLICIES INTEND, THAT IN EACH SERVICE DELIVERY AREA, THE PRIVATE INDUSTRY COUNCIL AND THE LOCAL JOB TRAINING PLAN RECOGNIZE EXISTING EMPLOYMENT AND TRAINING SERVICES PROVIDED THROUGH ADMINISTRATIVE

STRUCTURES SUCH AS REHABILITATION FACILIITES, AND THAT THEY BE CONSIDERED AN INTEGRAL PART OF THE SERVICE DELIVERY SYSTEM.

THROUGHOUT INDIANA, REHABILITATION FACILITIES OPERATE AS, AND ARE, VOCATIONAL PREPARATORY INSTITUTIONS. THEY EMPLOY OVER THREE THOUSAND STAFF MEMBERS AND HAVE OPERATING BUDGETS IN EXCESS OF SIXTY-SEVEN MILLION DOLLARS. THESE PROGRAMS ARE HOUSED IN PHYSICAL PLANTS OF MORE THAN TWO MILLION SQUARE FEET. IT SHOULD BE EMPHASIZED THAT THESE FACILITIES HAVE A LONG AND RICH HISTORY OF PROVIDING EMPLOYMENT TRAINING FOR DISADVANTAGED PERSONS. FACILITIES REPRESENT EXPERIENCED RESOURCES FOR INDIANA'S GROWING VOCATIONAL EDUCATION, EMPLOYMENT AND TRAINING PARTNERSHIP.

TO ENSURE A COMPREHENSIVE LOCAL APPROACH, ESPECIALLY WHERE HANDICAPPED CITIZENS ARE INVOLVED, IT IS MY OPINION THAT THE DEPARTMENT OF LABOR AND THE COMMITTEE SHOULD ASSURE THAT LOCAL JOB TRAINING RECOGNIZES REHABILITATION FACILITIES AS PART OF THE SERVICE DELIVERY SYSTEM. THE OVERSIGHT COMMITTEE SHOULD ALSO ASK QUESTIONS ABOUT HOW MANY SEVERELY HANDICAPPED PERSONS ARE SEEKING AND/OR RECEIVING SERVICES IN LOCAL JTPA PROGRAMS. THE COMMITTEE SHOULD ALSO LOOK AT HOW MANY REHABILITATION FACILITIES ARE BEING UTILIZED AS

SERVICE PROVIDERS WITHIN THAT SYSTEM. THE COMMITTEE IN AN EFFORT TO AVOID DUPLICATION OF EFFORT, SHOULD ALSO LOOK AT THE REAL COORDINATION EXISTING AMONG AGENCIES AT THE LOCAL LEVEL.

IT IS MY OPINION THAT WHEN LOCAL SYSTEMS INCLUDE REHABILITATION FACILITIES AS COORDINATING AGENTS SERVING SEVERELY HANDICAPPED CITIZENS, IT WILL BE FOUND THAT PROGRAM PERFORMANCES AND PROGRAM OUTCOMES WILL NOT AT ALL BE IMPAIRED AS HAS BEEN SUGGESTED IN SOME SERVICE DELIVERY AREAS. INCLUDING REHABILITATION FACILITIES WHICH SERVE HANDICAPPED PERSONS WILL STRENGTHEN AND ENHANCE LOCAL PROGRAMS AND WILL CONTRIBUTE IN MEETING PERFORMANCE STANDARDS OF THE JOB TRAINING PARTNERSHIP ACT IN INDIANA.

THERE ARE FOUR REMAINING AREAS ON WHICH I HAVE SPECIFIC COMMENTS. BY STATUTE, JTPA REQUIRES THAT 40% OF ALL TITLE II-A FUNDS BE SPENT ON YOUTH. THIS FIGURE HAS BEEN HARD TO ATTAIN ACCORDING TO OUR INFORMATION, BECAUSE THERE HAS BEEN A LACK OF RECRUITMENT AND SERVICE KNOWLEDGE FOR YOUTH AND YOUTH PROGRAMS. ONE WAY TO IMPROVE THE SITUATION WOULD BE TO UTILIZE COMMUNITY-BASED ORGANIZATIONS SUCH AS REHABILITATION FACILITIES TO ASSIST IN THE RECRUITMENT, OUTREACH, AND PROGRAMMATIC EFFORT. MANY REHABILITATION FACILITIES HAVE A HISTORY IN WORKING WITH HANDICAPPED YOUTH THROUGH INNOVATIVE AND DEMONSTRATION PROJECTS. WE SUPPORT EARLY INTERVENTION BY WORKING WITH THE DISADVANTAGED YOUTH. HOWEVER, WE FEEL THAT THE COMMITTEE, THROUGH ITS OVERSIGHT HEARINGS, SHOULD ENCOURAGE LOCAL ADMINISTRATIVE ENTITIES TO UTILIZE COMMUNITY-BASED ORGANIZATIONS, WHICH WOULD HELP THEM TO MEET THEIR 40% REQUIREMENT.

THERE IS A REQUIREMENT THAT 8% OF FUNDS BE SET ASIDE FOR VOCATIONAL EDUCATION. I ACKNOWLEDGE THE FACT THAT THE ESSENCE OF JTPA IS LOCAL PEOPLE MAKING LOCAL DECISIONS REGARDING PROGRAM PRIORITIES. THE DISTRIBUTION OF THE 8% FUNDS, HOWEVER, CAUSES CONCERN ON OUR PART BECAUSE SERVICES TO HANDICAPPED PERSONS ARE NOT A PRIORITY IN THIS AREA. IN MY OPINION, IT WOULD BE MORE EQUITABLE IF THE STATE WOULD BE INVOLVED IN DEVELOPING CRITERIA AND IN SETTING PRIORITIES FOR DISTRIBUTION OF THE 8% VOCATIONAL EDUCATION FUNDS. REGARDING SECTION 2 OF THE 8% FUNDS, THESE DOLLARS SHOULD GO TO ENSURE THAT LOCAL PROGRAM EFFORTS EPITOMIZE POSITIVE RELATIONSHIPS OF COORDINATION AND COLLABORATION, AS STATED IN THE STATUTE. THIS, AS OTHER JTPA

PROVISIONS, WOULD BE IN KEEPING WITH THE EMPLOYMENT INITIATIVE FOR DEVELOPMENTALLY DISABLED PERSONS ADOPTED BY THE ADMINISTRATION ON DEVELOPMENTAL DISABILITIES, HEALTH AND HUMAN SERVICES.

THE STATUTE ALLOWS FOR THE GOVERNOR OF EACH PARTICIPATING STATE TO EXERCISE A PEROGATIVE TO MODIFY PERFORMANCE STANDARDS. IT IS ESSENTIAL FOR THE SECRETARY OF LABOR TO ENCOURAGE GOVERNORS, ESPECIALLY THOSE GOVERNORS WHO HAVE NOT DONE SO, TO MODIFY THE PROPOSED PERFORMANCE STANDARDS AS NECESSARY, TO ENCOURAGE ENTRY-LEVEL EMPLOYMENT OPPORTUNITIES IN JOBS WHICH PAY ONLY $3.35 PER HOUR. MANY JOBS IN THE FOODS SERVICE INDUSTRY AND THE HOTEL/MOTEL INDUSTRY ATTRACT SEVERELY HANDICAPPED PERSONS AND, POTENTIALLY, THESE PLACEMENTS MIGHT ADVERSELY EFFECT THE AVERAGE WAGE WITH REGARD TO PLACEMENT PERFORMANCE STANDARDS IN SDA'S.

UNDER SECTION 202(B)3 OF THE JOB TRAINING PARTNERSHIP ACT, 6% IS ALLOWED INCENTIVE GRANTS TO BE AVAILABLE TO EACH SERVICE DELIVERY AREA FOR EXEMPLARY PERFORMANCE AND/OR FOR TECHNICAL ASSISTANCE. IN SOME SITUATIONS, THE 6% FUNDS HAVE BECOME A DISINCENTIVE FOR ADMINISTRATIVE ENTITIES FOR A NUMBER OF REASONS. THESE FUNDS REQUIRE THAT MANAGEMENT OF THE LOCAL SDA'S STILL BE IMPOSED WITH RIGID COST

LIMITATIONS. FURTHERMORE, PROGRAMS OPERATED UNDER THE 6% FUNDS ARE SUBJECT TO THE SAME PERFORMANCE MEASURES FOR TITLE II-A ADULT AND YOUTH PROGRAMS, WHICH REDUCES THE DESIRE OF THE SDA TO BE INNOVATIVE. IT IS MY OPINION THAT THE 6% INCENTIVE MONIES SHOULD BE UTILIZED AS BROAD-BASED TECHNICAL ASSISTANCE PROGRAMS WHICH WOULD ALLOW EXPENDITURES AND ACTIVITIES TO IMPROVE PERFORMANCE AND HAVE A POSITIVE EFFECT ON MANAGEMENT PROGRAM OUTCOMES. MORE SPECIFICALLY, THESE INCENTIVE MONIES COULD BE USED FOR SERVING INDIVIDUALS, SUCH AS THE HANDICAPPED, WITH MULTIPLE BARRIERS TO EMPLOYMENT AND REWARD THE SERVICE DELIVERY AREAS FOR PROVIDING EXEMPLARY INNOVATIVE AND DEMONSTRATION PROJECTS. THESE DOLLARS, IN MY OPINION, WOULD NOT HAVE TO BE CONFINED TO THE TRADITIONAL PROGRAM REQUIREMENTS.

MR. CHAIRMAN, I HAVE SHARED IDEAS OF WHAT MIGHT BE DONE TO CONTINUE TO IMPROVE SERVICES TO DISABLED CITIZENS WITHIN THE SCOPE OF THE JOB TRAINING PARTNERSHIP ACT. AS A SOCIETY, WE MUST NEVER GIVE UP ON ANYONE, OR LEAVE HIM/HER IN A DEPENDENT STATE WITHOUT ANY HOPE FOR IMPROVEMENT, OR NEGATE THE OPPORTUNITY TO BECOME INDEPENDENT WITH COMPLEX AND CONFLICTING PROGRAM GUIDELINES.

I CONGRATULATE YOU AND THE MEMBERS OF THIS COMMITTEE FOR SPONSORING THESE HEARINGS. THEY WILL PRODUCE AN IMPROVED SYSTEM NOT ONLY IN INDIANA, BUT ALSO THE NATION, FOR THE FUTURE. THANK YOU VERY MUCH FOR THE OPPORTUNITY TO PARTICIPATE.

GREENWOOD CONVALESCENT CENTER
937 Fry Road • Post Office Box 1317
GREENWOOD, INDIANA 46142

June 20,1985

To Whom It May Concern:

I am the Administrator of a 70 bed Intermediate Care Facility in Greenwood Indiana. We have worked very closely with the local ODC and Central 9 Vocational School in the training of nurse aides. We feel this training program has upgraded our facility by being able to hire properly trained nurse aides. Since January 1985 we have been unable to hire nurse aides unless thye have had a years experience or they are enrolled in an approved program for nurse aides. We have seventy people to care for and if we have no staff we are in real trouble.

There is a rapid turnover of nurse aides. They burn out easily. Usually they are young girls, some without high school education. They have one or more small children. Pay scale is low and they work very hard. Sometimes they are the only supporter in the family. They could not afford to pay for their education to become a certified nurse aide without help.

Since there is a rapid turnover we as employers would have a real problem if students were not continually being trained in this program There are thousands of nursing home beds in Indiana and we all have to abide by the same rules which makes the job training program very important to us.

We have had several girls who after training for nurse aide have continued their education with help and have become QMA'S. In order to do this these girls must have completed high school.The ones who had not have taken the GED test. Once this is accomplished they become qualified to pass medications with supervisision. This entitles them to a pay raise. Some have even gone on with their training to become licensed nurses. None of these opportunitys would be there for these people if they did not receive help. Thats why we at Greenwood Convalescent Center feel the ODC is very valuable to us.

Patty VanSickle
Administrator

Greenwood Convalescent Center
937 Fry Rd. P.O. Box 1317
Greenwood, Indiana 46142

Indiana Employment & Training Exchange

Volume II, Number 22 EDITOR: Tom Abeel June 21, 1985
Reporting Current Events and Issues Affecting
Indiana's Employment & Training Community

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8 *Calendar of Future Meetings and Conferences*

IRS Would Have Five Indianapolis Based Regional Directors; Merritt Promises Automation, Better Tracking And Control Of Expenditures

INDIANAPOLIS...Jean Merritt, the new State Director at Indiana Rehabilitation Services (IRS), announced a major reorganization she will propose for the Divisions of Vocational Rehabilitation (DVR) and Services to the Blind (DOB). Five state level Regional Director positions would be created, and they would supervise 25 supervisors who, in turn, would each supervise 6 to 7 counselors. Currently, DVR has 13 Area Directors; each is responsible for supervising an average of 13 counselors including those that serve visually impaired persons. The five regional directors would spend two days at rehabilitation headquarters in Indianapolis, the rest in the field.

Merritt told the Board that the current system is large and cumbersome, that its strength is in the field, and that the system suffers from lack of supervision. She said that this reorganization

(See IRS Board Meeting On Page 5)

Everyone Has Good Things To Say About JTPA At Columbus "Warm-Up" Field Hearing

COLUMBUS, Ind...The verdict was practically unanimous: the Job Training Partnership Training Act (JTPA) has been a success in south central Indiana. Virtually everyone testifying at a field hearing held at the McDowell Adult Education Center, had good things to say. Perhaps the biggest compliment came from the Bartholomew County Welfare director who said that "in my twenty two years in this business, JTPA is the best attempt so far."

Senator Quayle, principal sponsor when JTPA was enacted in 1982, will be in Indiana for several field hearings scheduled for early July and August. As a warm-up session, three of his staff members were in Columbus on June 5th to see and hear firsthand how the Job Training Partnership Act is being implemented, and to see if there might be opportunities to improve the legislation. They heard from a series of panels made up of

(See Field Hearing On Page 6)

News From Around The State

Quayle To Conduct JTPA Hearings In Indiana. The Senate Subcommittee on Employment and Productivity will conduct six field hearings on the Job Training Partnership Act (JTPA) in Indiana. Senator Dan Quayle chairs the subcommittee, and he was the principal Senate sponsor of the Job Training Partnership Act of 1982. The hearings will be held in Indianapolis and Evansville on July 1st; South Bend and Hammond on July 2nd; Lafayete and Fort Wayne on August 7th. A notice in the May 23rd Congressional Record says "we have been successful in maintaining a supportive role by not amending the new statute. Now, however, we are beginning to identify some areas of concern which may call for legislative action."

The new U.S. Secretary of Labor, William E. Brock, will testify at the July 1st hearing in Indianapolis. The announcement says that Frank Casillas, who has announced his resignation as Assistant Secretary of Labor, will testify at the July 2nd hearing in Hammond.

Persons wishing to testify or submit written testimony should contact Renee Coe at the Senate Labor and Human Resources Committee, SD 428, Washington, DC 20510, or by calling 202-224-6306.

Ken Kobe -- Will Become State Budget Director Effective July 1st

Ken Kobe Named State Budget Director. Governor Robert D. Orr has appointed Kenneth V. Kobe to be Indiana's new Budget Director. Kobe has been Deputy Executive Director at the Indiana Department of Commerce since February of this year after serving four years as Commerce's Director of Business and Financial Services. Kobe, an Ohio native, served two years in the Peace Corps in Kenya, and worked with the U.S. Census Bureau for year in Washington. He was a fiscal analyst in the Indiana State Budget Agency for four years, and was chief fiscal analyst for the House Ways and Means Committee for four years prior to joining the Department of Commerce.

Kobe told the Exchange that the Budget Director's role will be enhanced to include responsibility for State fiscal policies. He succeeds Judith Palmer who has taken a job with Indiana University effective July 1st.

Judy V. Seals -- IESD Assistant Director
Financial Management & Administration

Judy Seals Honored As Professional Achiever. Judy V. Seals, Assistant Director-Financial Management & Administration at Indiana Employment Security Division headquarters, was recognized as a Minority Business and Professional Achiever at an awards dinner given by the Center for Leadership Development, Inc. [illegible]s' nomination letter says that she deserves re[illegible]ition because she has saved state governmnet and Indiana taxpayers significant sums of money by establishing new, cost efficient procedures, particularly in relation to the Unemployment Insurance trust fund.

Among her achievements: resolved a $ 2 million accounting problem thus averting staff layoffs; realized several hundred thousand dollars in in-

More News From Around The State

terest for the trust fund by reducing the time lag on collections deposited in Washington, DC; created a set aside fund for benefits payments to laid-off hourly employees that saved over $ 360,000 from current year funds; improved contracting procedures for federal/state programs such as the Job Training Partnership Act and the Work Incentive Program, and resolved six year old accounting problems within contracted services.

Fred Eaton -- Director
Vincennes University Employment & Training

Fred Eaton Resigning From Shawnee Trace. Fred Eaton, Director, Vincennes University Employment & Training, announced his resignation, effective September 30, 1985. Eaton directs the Job Training Partnership Act (JTPA) program in the Shawnee Trace service delivery area. As an Air Force officer, he flew jet fighters in Korea and helicopters in Viet Nam, and he served in a variety of administrative capacities. He retired from active duty in 1971, and worked for 3 years for Indiana National Bank in Indianapolis. A native of Washington (Daviess County), he accepted a job with the Indiana Employment Security Division in Vincennes in 1975. Eaton was named Director of the Occupational Development Center program headquartered in Vincennes in 1977, and he has continued in this capacity with Vincennes University under JTPA. Eaton said that his plans include more time in Florida.

IRS Board Member Workman Passes. The Exchange regrets to announce that Ronald Workman, a charter member of the Indiana Rrehabilitation Services Board, passed away last month. Workman represented blind and visually impaired persons, and had held the appointment since the Board's inception in 1971. In memory, the IRS Board passed a resolution creating the Workman Outstanding Performer Award at its June 7th meeting.

Stephen Gault New IESD Seymour Office Manager. Stephen Gault, assistant manager at the Indianapolis Metro (downtown) local office of the Indiana Employment Security Division, has been named Seymour local office manager. Gault has been with the Division for nearly 10 years, and has worked at the IESD central administrative office, the Bloomington local office, and at a local office on Indianapolis' west side. He succeeds Polly Booher who resigned in May, and the appointment is effective immediately.

Asst Labor Secty Frank Casillas Resigns. Frank Casillas, Assistant Secretary of Labor for the Employment and Training Administration (ETA) since August 1984,. has resigned, effective June 15th. ETA is the branch of the U.S. Department of Labor that administers the Job Training Partnership Act nationwide. A native of Mexico, Casillas grew up in East Chicago and is an engineering graduate from Purdue University. He was Vice-President for Corporate Development and Technology at Bunker-Ramo from 1968-82, and then founded his own management consulting company, Casillas Associates in 1983. Citing family reasons as part of his decision, Casillas plans to return to Chicago.

Supt. Dean Evans Addresses Education Staff. H. Dean Evans, recently appointed State Superintendent of Public Instruction, told staff of the Indiana Department of Education that no "housecleaning" is necessary at the Department. Evans was appointed by Governor Robert D. Orr to finish the remaining three and a half years of former superintendent Harold H. Negley, who resigned in April under a cloud of allegations of improprieties. Evans is an Indianapolis native and a graduate of Arsenal Technical High School and Franklin College. He was superintendent of schools at Washington Township prior to becoming education director at the Lilly Endowment.

(See More News On Page 5)

It Might Be Best To Leave The Job Training Partnership Act Alone

Commentary, by Tom Abeel, Editor

Our own Senator Dan Quayle has scheduled hearings in Indiana on the Job Training Partnership Act (JTPA) for early July and August. The hearings' purposes are to assess how well JTPA is working at the local level and to see if there might be opportunities for improving the legislation through amendment. I attended a warm up session in Columbus last week, at which several panels addressed three members of Quayle's staff. The panels included PIC members and local elected officials, interest group representatives, program staff, employers, and participants.

PIC members said that on the whole they liked the program because the private sector was involved. Further, JTPA is far better than its predecessor, the Comprehensive Employment and Training Act (CETA), but there is too much paper work. Local elected officials said that JTPA had been a catalyst to get them working across their normal jurisdictions, that the program was far better than its predecessor (CETA), but there is too much paper work.

Interest group representatives said that their constituents needed more jobs, and JTPA should pay more attention to them. Employers that have hired JTPA trainees said they liked the program, and if there was a lot of paperwork, they hadn't seen it. Trainees said they liked the program because it had bolstered their confidence and helped them to start over.

My guess is that testimony at the other four hearings will fall pretty much along these lines. Therefore, I would like to suggest that it might actually be safer to skip the other hearings and simply leave JTPA alone. For if history is any guide, one sure way to mess up the Job Training Partnership Act is to open it to amendments.

Given what I heard in Columbus, CETA is almost as controversial now as it was several years ago. People are still kicking at it; no one has a good thing to say about it. And it seems timely to remember one major reason for CETA's demise: too many amendments.

Believe it or not, Congress passed CETA in December of 1973 as a reform measure. And it was, at its birth, full of the same promise and potential as JTPA. The original version of CETA was a training program for adults, it had a flexible laundry list of allowable training activities, it had a separate summer youth program, and it had a small public service employment (job creation) program that was targeted carefully to areas of high unemployment. Unlike JTPA, CETA initially had no set asides for specific age groups, had no requirements to serve particular percentages of certain demographic groups; at inception, CETA was simpler.

However, amendments started rolling practically before local programs had gotten underway. Among the earliest, and certainly most distracting, was a huge increase in funding for public service employment as a measure to cope with a recession. This sealed CETA's fate, as this became the public's and the media's understanding of CETA's intent. And Washington's expectation for instant implementation led to hasty decisions and subcontracts that would come back to haunt the program.

In June of 1977, a huge new youth initiative was added (the Youth Employment Demonstration Projects Act) to be implemented in full by October 1977. The Private Sector Initiative Program, which created private industry councils, was added in 1978. With each amendment came a new set aside of funds, each with separate administrative and reporting requirements. CETA became increasingly complicated, a hodgepodge to administer. The Department of Labor sent out myriad policy "clarifications", practically one every working day, few of which made things much clearer. We postulated a truism back then: "Every clarification breeds more questions."

I do not mean to imply that JTPA couldn't be improved. 8% set aside for education, 6% set aside for incentives, a certain minimum percentage to be spent for older workers, a certain minimum percentage to be spent on youth, a certain percentage on dropouts, a certain percentage on welfare recipients — these make JTPA difficult to administer. And we should remember that these provisions were the result of compromises made when JTPA was passed in 1982.

I do mean to imply that the amendment process is one through which things are most always added, not taken away. History's lesson is that the amendment process tends to make things more, not less complicated. And if a dozen amendments are offered this year, the compromises reached will surely result in less, not more flexibility.

In fact, I think set asides and required service levels contradict JPTA's basic premise: that governors and local elected officials in concert with local business have the major say on how JTPA funds are spent. If Congress wants to improve the law, it could do so by removing set asides and special group expenditure requirements.

Anything more will be less.

(More News From Page 3)

Evans told the staff that he believes that the citizens of Indiana are getting a higher level of performance out of the staff than they think. He promised to put professional performance ahead of political credentials and to manage by "a sound value system" rather than by "authoritative power." Also, he told the staff that he did not want his name on the Department's sign on their rented offices at 39th and Meridian Streets. "This is not my department; it is our department," he said.

Don Richardson -- SEIPIC Director; Tom Miller IESD Director Sign Financial Agreement

IESD & SEIPIC Have 10 Year Signing Cermony. The Southeast Indiana Private Industry Council and the Indiana Employment Security Division celebrated 10 years of collaboration on employment and training programs in a brief cermony at IESD headquarters on June 17th. In the photo Don Richardson, SEIPIC Director (seated on the left) and IESD Director Tom Miller sign a $ 223,000 financial agreement through which SEIPIC is contracting for the services of eleven IESD personnel for the fiscal year starting July 1st. Watching (from left to right) are IESD local office managers Mark Beymer, Jr., Richmond; Assistant Manager Garnette Cleeter, Lawrenceburg; John Jones, Connersville; Lucian Smith, Madison. Also watching are Tom Krudy, Executive Director, Indiana Office of Occupational Development and B. William Eiler, the IESD Mideast District Director. Six of the eleven staff are colocated with JTPA staff.

Richardson maintained financial agreements with IESD under the CETA program, and told those assembled that "I think from all indications of local staff, it has proved to be fruitful and beneficial." He said that the placement goals, 1,487 for the coming year, have been exceeded by IESD each year, and "we have upped the ante each time." The twelve month goal of 1,087 for the current year was topped after eleven months with 1,218 placements.

Richardson said that a total of 2,402 persons had been placed in jobs in the SEIPIC area since the inception of JTPA.

DOL Study Proposes Measures For Steelworkers. The U.S. Department of Labor has available a limited number of copies of a report called Causes And Remedies For Displacement Of Steel Workers. The Trade and Tariff Act of 1984 directed the Department to prepare an aid plan for dislocated steelworkers. The report proposes, among other things, a $ 10 million Title III JTPA discretionary fund for allocation on condition that states raise twice that amount. The report describes steel industry problems, characteristics of dislocated steelworkers, and existing relief policies. The Bureau of Labor Statistics estimates the number of dislocated steel workers at 120,000, and it says that only about 45 percent of these individuals find alternative employment—the lowest for any industry and well under the 60 percent average. Call or write the Department of Labor, Office of Policy, 200 Constitution Avenue, NW, Washington DC 20210; 202-523-8165.

(IRS Board Meeting From Page 1)

would be proposed to State Personnel in the near future, and that it would take 30 - 60 days for approval. She outlined her proposal at the June 7th meeting of the Indiana Rehabilitation Services Board.

In other action, the Board created the Workman Outstanding Performer Award in memory of former Board member Ronald Workman, who passed away about four weeks ago.

In a major decision, Merritt told the Board that IRS would honor all four years of existing establishment grants, pending funds available. These grants are made to rehabilitation facilities to initiate or to improve existing facilities and programs. While not written policy, four years

(Continued Top Of Next Page)

(IRS Board From Page 5)

was the accepted length of these grants. Larger IRS caseloads have made finances tighter, and as of two Board meetings ago, it had all but been decided to limit new grants to two years, and possibly, to not fund the third and fourth years of current grants. A fiscal projection—assuming no new grants—showed establishment grant committments: $ 4.3 million in the current fiscal year, $ 1.8 million in FY ' 86, $ 1.073 million in FY ' 87, and $ 100,000 in FY '88.

With respect to a revised grants process, Merritt said there are several alternatives, and she cautioned the Board to keep their options open. "We are not in a position to make a recommendation," she said. Deputy Director Chambers said that the grant process could be used in a "proactive" manner for research and demonstration projects. IRS could generate the needs, and then solicit proposals. Also, some Board members have not felt involved enough with the grants process, and Merritt said that she would work to take care of that criticism.

As reported several issues ago, the State has committed up to $ 3.2 million in contingency funds to make up a shortage in the IRS budget this fiscal year. For the future, Merritt promised the Board that a budgetary process would be established to track and control what is spent. "Area directors will receive a monthly report by counselor," she said. Collectively, the counselors had committed $ 8.5 of the $ 14 million available within just the first few months. Also, she has asked the federal government for additional money, and it is possible that Congress will pass a supplemental appropriation.

With respect to the IRS main office, Merritt said that the program divisions—Vocational Rehabilitation, Services to the Blind, and Disability Determination—were being managed on a day to day basis by Deputy Director Barry Chambers. Merritt said Chambers had been her "right hand man" at the Social Services Fiscal Office. She said that the Controller and computer automation project would report directly to her.

On the topic of automation, Merritt said that the agency had been working on it for about 10 years. "I am confident that we can complete this task in the next twelve months," she said. One aspect is automated: claims to DVR, such as bills from rehabilitation facilities, are now paid by the Social Services Fiscal Office. In response to a question, Merritt said that the agency would be using the State's mainframe computer and the Central Data Processing department (CDP) for automation. "It is very foolish for anyone to try to do the ambitious things we want outside of CDP," she said. "I am absolutely confident that we will get automated." A team has been to Minnesota to look at their computer system with the potential that the software can be adapted for Indiana. Also, IRS has volunteered to pilot the automated accounting system for the State.

(Field Hearing From Page 1)

members of the South Central Indiana Private Industry Council (SCIPIC), local elected officials, interest group representatives, employers who have hired trainees, and trainees.

JTPA's predecessor legislation, the Comprehsive Employment and Training Act (CETA) was a common point of comparison in the testimony. Columbus Chamber Director Ed Woellking summed up the feelings of the business community by saying "not hearing is believing". He had heard lots of criticism of the CETA program, but has heard none directed at JTPA. Woellking said that the JPTA structure is "much more helpful."

Former South Central PIC Chairman Theo Webb said that he had seen ineffective use of CETA funds; JTPA has accomplished cooperation among the private sector, local elected officials, and public agencies much more so that under CETA. Seymour Mayor William Bailey said that JTPA had been a catalyst for local elected officials to work together across their jurisdictions. Both suggested building in more incentives, to reward productivity for turning out good, employable people. "Take it from Wyoming and give it to New Jersey," said the Mayor.

Current PIC chairman Ed Judd felt that lack of jobs is the biggest problem in a rural area like the south central area, and he said that there should be more flexibility to use funds to support economic development. He suggested that limits on program expenditures should be on cost-per-placement, not on expenditure categories.

Area Vocational Director Meredith Thompson, voiced some concern with a reverse incentive built into the performance standards; if you meet the standards, they get raised. Another concern was that Washington should be sensitive to expenditures in the early years; funding to the system

(Continued Next Page)

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(Columbus Hearing From Page 6)

should not be cut just because local programs were underspent during their start up year.

Cummins Engine Company, headquartered in Columbus, received a $ 1.4 million grant to aid displaced workers. Spokesperson Mindy Lewis said it was important to maintain a separate program for displaced workers, and that assessment was a very important part of the program. "It gives the person something to hold onto," Lewis said. She said that Cummins hoped to incorporate some of the things it learned into company programs.

One employer suggested that the qualifications for JTPA participation be changed. "You don't need to wait until a guy is on his last legs before you help him," he said. Another said that JTPA was critical to small business as it helps the "bottom line", and it eases the burden of mistakes made by trainees. Another said that the pre-interview system works well, and that the paperwork he has seen was minimal.

Renewed self-confidence was a thread running through trainees' statements. One trainee said he had been laid off for seven months and his unemployment insurance had run out. "I was flat broke," he said. "They restored my confidence. I was beat down because I didn't have a job." Another trainee said he was under the impression that JTPA was only for unskilled persons; the program had given him the confidence to help him make a transition between careers.

Mention was made several times about the amount of paperwork generated by JTPA. One participant said "I don't know much about the paperwork, but I just want to encourage them to struggle through it. It's worth it."

In response to a question from Renee Coe, one employer said he found out about JTPA at a business trade show, two found out about it through direct sales of the program, one from a competitor, and one through the employment office.

MEETINGS AND CONFERENCES

June

Indiana Job Training Coordinating Council
—No June Meeting

July

Field Hearings — Job Training Partnership Act
—July 1, Indianapolis, Evansville
July 2, South Bend, Hammond
To testify or submit written testimony, contact Renee Coe, Senate Labor and Human Resources Committee, SD 428, Washington DC, 20510
202-224-6306
State Board of Vocational/Technical Education
—No July Meeting
Indiana Job Training Coordinating Council
—July 18, (if needed), time and location to be announced.
317-232-8506 for more information

August

Field Hearings — Job Training Partnership Act
—August 7, Lafayette, Fort Wayne
See above to testify or submit written testimony
Indiana Vocational Association Summer Conference
—August 10-13, Hyatt Regency Hotel, Indianapolis
317-241-5039 for more information
Postsecondary Proprietary Education Commission
August 14, 10 AM, 32 East Washington, Indpls.
317-232-1320 for more information

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CASE STUDY I

USWA-NEW JERSEY STEELWORKERS RETRAINING PROGRAM
TRENTON, NEW JERSEY

INTRODUCTION

Between April 1981 and October 1981, 2,500 steelworkers were laid off from the United States Steel Corporation's (USSC) Fairless Works in Fairless Hills, Pennsylvania. Located near the Delaware River, which is the Pennsylvania-New Jersey border, Fairless mill employed workers who lived in Pennsylvania and New Jersey. Approximately 650 of the displaced steelworkers were residents of the Trenton, New Jersey area and the layoff caught the attention of the Office of Occupational Education for the New Jersey Department of Higher Education. Through their contacts with the United Steelworkers of America (USWA) locals, a collaboration of state and local agencies and union officials developed. The resulting program offers dislocated steelworkers remediation, skills training, job search training and placement services.

A budget of $247,804 consisting of an allocation to the Service Delivery Area in the amount of $173,306 and a second allocation to the local community college of $74,498 supports this project that will serve approximately 75 Title III eligible dislocated workers this program year. Nearly all of these workers are laid off steelworkers from the Fairless mill. This is an ongoing project that began services to steelworkers in October 1984. At present, approximately 60 former steelworkers are engaged in structured classroom training for occupations ranging from the building trades to microcomputer repair. Their motivation and progress have inspired similar approaches to be instituted in neighboring Bucks County, Pennsylvania, and Burlington County, New Jersey.

The case study that follows describes a dislocated worker program model that integrates the resources of a number of agencies common to most communities--a community college, a public vocational education school, a Service Delivery Area (SDA), the union, and the Employment Service. The target population is 167 dislocated steelworkers who indicated on a survey an interest in retraining. This account of the USWA-New Jersey Steelworker Retraining Program highlights the close coordination, effective union leadership and innovative classroom training approaches that are key program elements.

COMMUNITY CONTEXT

The Fairless Works sits in the southern region of the nation's northeast industrial corridor—an area beset by dramatic economic and sociological shifts for the past 20 years. Trenton lies across the Delaware river a scant 50 miles from the better known Pennsylvania steel towns of Allentown and Bethlehem and midway between the two giants of commerce, Philadelphia and New York City.

Trenton and surrounding Mercer County had a population of 319,000 in 1983.[1.] This is a slight increase of 1 percent over the 1980 population. The population features a rich ethnic diversity of blacks and people of Italian, Polish and Puerto Rican descent. In 1982, per capita income was $13,043, more than twice the per capita income for the area in 1974.[2.]

In the Trenton labor market area, unemployment was 4.9 percent in 1984, its lowest in at least nine years. In general, wages are high. Automobile mechanics typically earn $22,300, programmers earn $22,074 and receptionists earn $13,000.

Because Trenton is the state capital, state and local government is the major employer, employing 47,100 people. The service industry employs an almost equal number. The third major industry is manufacturing, which accounts for 31,000 employees. Wholesale and retail trade together are the fourth largest industry in terms of employees, employing 28,700 persons.

The fastest growing industry over the past 10 years was the service industry, which employs 34 percent more people in 1984 than in 1975. Government employment grew 21 percent, and wholesale and retail trade gained 6,800 new employees—a growth rate of 31 percent. Declining industries included manufacturing, with a net worker loss of 4,200 or 11.7 percent, and transportation and public utilities with a net loss of 200 workers.

These data illustrate how the Trenton area is undergoing a typical national phenomenon—a decline in manufacturing employment and an upswing in services employment. However, Trenton's healthy economy, stabilized by the number of government workers, has absorbed a great many of the workers dislocated by the manufacturing decline. Statistically, it is an ideal setting for a retraining program that facilitates the transition from one industrial sector to another, but these economic shifts and their effects on workers were not apparent to community leaders.

After the nine month JTPA transition period, both the Mercer County and neighboring Burlington County SDAs returned unspent Title III funds to the state for lack of training applicants. Dislocated workers were not a noticeable item on local governments' agenda nor did there appear to be any discernible promotion of Title III programs on the part of community agencies or the Private Industry Councils (PICs). This seeming lack of interest in dislocated workers was about to change when the Department of Higher Education, headquartered in the state capital, saw an instant connection between the retraining needs of Fairless steelworkers and the training resources of community colleges and public vocational education institutions.

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1. Regional Labor Market Review—State of New Jersey Department of Labor.

2. U.S. Department of Commerce, Bureau of Economic Analysis, August 1984.

PROJECT ORIGIN

In October 1981, USSC laid off 1,500 steelworkers, the largest group in a succession of smaller layoffs that began in April 1981. Altogether, 2,500 steelworkers were affected by a 30 percent reduction in the Fairless Works steel production capacity. It was estimated that about 700 of the laid off workers lived in New Jersey in either Mercer or Burlington County. Through its initial research, the Office of Occupational Education concluded that all the resources for a training program were available in the Trenton area if they could be assembled into a coherent, unified program of services customized to fit the needs of the laid-off steelworkers.

In August 1984, an exploratory meeting was held to discuss the feasibility of and need for a retraining program targeted toward Fairless steelworkers living in New Jersey. The meeting evolved through contacts between the Office of Occupational Education and the chief of USWA Local 4889. Representatives of all six local unions associated with Fairless, the Office of Occupational Education, Mercer County Community College, New Jersey Department of Labor's Division of Special Programs, and 20 laid-off steelworkers attended the meeting. The meeting took place at the union hall. The agenda was to determine the interest level for a retraining program.

The positive response at this meeting led to further research and a conceptual approach that was presented at the second meeting of this group. The second meeting resulted in a decision to have the unions contact the steelworkers by mail both to invite them to an orientation session and to query them about their training needs and interests. This dual purpose mailing included a cover letter from one of the USWA locals, a one-page survey form, and an addressed and stamped envelope. The letter mentioned the availability of training through the SDA, community college and vocational-technical school. It also invited steelworkers to an orientation session for USWA members to be held at the Mercer County College.

In Mercer County approximately 400 steelworkers were contacted in this manner and 167 responded. The planning group coordinated by the Office of Occupational Education used the information from the surveys to organize and implement the first phase of what was to become the USWA-New Jersey Steelworker Retraining Program.

PROJECT DESIGN AND SERVICE DELIVERY FEATURES

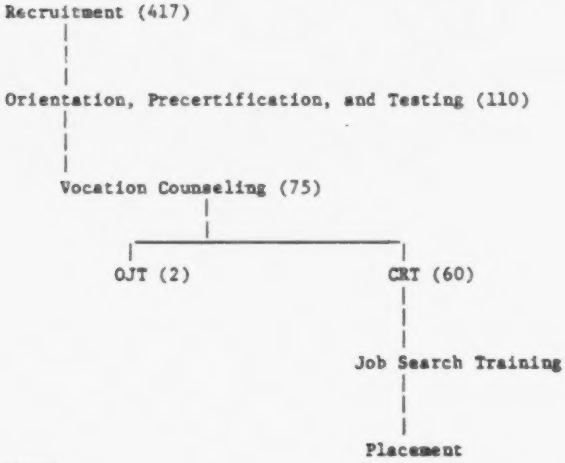
The USWA-New Jersey Steelworker Retraining Program contains one primary service track. This service track is composed of a sequence of training activities and training related services designed to prepare steelworkers for reemployment in new occupations. Briefly stated, the service track consists of recruitment, orientation and eligibility certification, followed by assessment and vocational counseling. Enrolled participants are referred to classroom training at the Mercer County Community College or the Mercer County Vocational-Technical School. The schools also provide job search training. Job development and placement assistance is a joint effort on the part of the schools and the Mercer County SDA. Exhibit 1 is a chart depicting the flow of participants through these components and the number participating in each component.

All participants follow this single track of activities and services with variations only in terms of type of training pursued. This section of the case study describes the components that comprise this service track, how components are integrated, financial requirements of this model, and how the project is linked to employees and unions. It concludes with a discussion of the project's development and operational experiences.

From this discussion of the program design and service delivery features, the roles of the principal actors and their respective contributions to the project become clear. This is best illustrated in the description of the separate components that make up the service track.

Exhibit 1

Participant Flow Chart



Components

Recruitment. Under the particular direction of the Chairman of the USWA Local 4889, the USWA locals coordinated the recruitment of the steelworkers. The first step in the recruitment process was the procurement of a list of laid off workers and their addresses. This was arranged by the USWA in cooperation with USSC's Fairless Works management.

The Office of Occupational Education assisted the union with the preparation of the letter and survey forms that were sent to 417 steelworkers residing in Mercer County, New Jersey. The letter was signed by all six USWA Locals and encouraged laid-off workers to complete the survey and attend an orientation where they could learn more about the training available and could register for classes. The survey forms, included as Exhibit 2, solicited information on the steelworkers' work history, educational background, training interests and their interest in either attending the orientation or getting additional information.

A follow-up letter from the union was sent eight days prior to the orientation encouraging participants to attend and listing information needed to determine their eligibility. It promoted the concept of a one-stop operation whereby all bureaucratic processes preliminary to enrollment could be completed at once.

An estimated 167 steelworkers responded to the surveys. Most of the respondents indicated an interest in training and specified training choices. In addition, the union promoted the program among USWA members and counseled individuals who were unlikely to be recalled to consider retraining. The mail campaign and the hearty endorsement of the USWA resulted in a larger turnout at orientation than was ever expected.

Orientation. Termed the Mercer County Community College-USWA Retraining Orientation Day, the orientation component is a model of interagency coordination and an important element of this service track. Orientation was conceived to be a one-time affair with the objective of providing all information needed by the steelworkers to make a decision about project participation while providing the SDA and training institutions information needed for their selection and enrollment purposes.

Six organizations participated in the orientation. They are:

- Mercer County Community College;
- State Department of Labor's Division of Employment Services;
- Mercer County SDA;
- Office of Occupational Education, State Department of Higher Education;
- Mercer County Vocational-Technical School; and
- USWA.

Each organization had a specific function. The Mercer County Community College provided the site for the orientation and assessment staff to administer the Testing Adult Basic Education (TABE) tests. The college and the county vocational technical school provided staff who explained the kinds of

Exhibit 2

MERCER COUNTY COMMUNITY COLLEGE
CAREER TRAINING INSTITUTE
USWA RE-TRAINING SURVEY

NAME ______________________________

ADDRESS ______________________________
(Street)

____
(City) (State) (Zip)

PHONE ( ) ______________ ( ) ______________
(Daytime) (Evening)

COUNTY OF RESIDENCE:

______ Burlington
______ Mercer
______ Other

WORK HISTORY INFORMATION

USWA Local # ______________
Name of Current or Last Previous Employer ______________________________
Type of Work Performed ______________________________
Number of Years Employed ______________
Job Skills (from the above or previous jobs) ______________________________
____

Current Status: ________ Employed (PT ____ FT ____)
________ Unemployed

EDUCATIONAL BACKGROUND (Check all that apply):

		Area of Training or Degree			Area of Training or Degree
____	0-8	______________	____	Military Training	______________
____	9-12	______________	____	College	______________
____	Vocational School	______________	____	Other	______________

TRAINING INTERESTS (Check any fields in which you would be interested in job training):

☐ Secretarial
☐ Account Clerk
☐ Word Processing
☐ Data Entry
☐ Computer Repair
☐ Electronics
☐ Computer Programming
☐ Computer Operations
☐ Electronics Assembly
☐ Welding
☐ Maintenance
☐ Nurse's Aide
☐ Security Guard
☐ Retail Sales
☐ Other ______
☐ Other ______

Check one:

☐ I will attend the open-house at Mercer County Community College on October 30 about job training programs that are available in my County.

☐ I cannot attend, but would like information about available training in areas indicated above.

occupation and remedial training available at the two institutions and how the occupational training related to demand occupations in the area and the steelworker's previous work skills.

The State Department of Labor's Division of Employment Services provided counselors who screened applicants for eligibility for JTPA services and existing employment opportunities for which they may be qualified. Union officials explained the program's potential benefits and the need for retraining. This entailed confirming the permanency of the reduction in force that had occurred at Fairless and counseling individuals who were concerned about program participation's effect on unemployment insurance (U.I.) benefits or recall rights.

The SDA staff were available to set up appointments for vocational counseling where test results and reemployment plans would be discussed. This would constitute the final step to actual program enrollment by the SDA.

The Office of Occupational Education organized the orientation activities, briefed agency participants on their functions and objectives and generally coordinated the event.

Orientation lasted from 3:00 p.m. to 9:00 p.m. and was attended by approximately 110 steelworkers. Most of the events were conducted as small group activities, but there were many opportunities for one-on-one interactions. Of the 110 steelworkers participating, about 75 signed up for pre-employment counseling with the SDA counselors to review the test results and complete the application process for the JTPA Title III enrollment.

Agency participants were unprepared for either the size or the enthusiasm of the turnout for the orientation. It was the first of many surprises that confronted the planners of the project.

Assessment and Vocational Counseling. The primary assessment test was the TABE. This is a two-hour test designed to characterize an individual's proficiency in reading, language and mathematics. The TABE is a standard assessment test among New Jersey SDAs; however, in this instance, the Mercer County Community College staff administered and graded the test. Test results were given to the Mercer County SDA as an aid to SDA counselors who provided the vocational counseling, which is the second step in the program intake process.

Pre-employment counseling includes vocational counseling and eligibility certification. In addition to reviewing test results, during vocational counseling the SDA assists the applicant to select an appropriate occupational training area and to plan for remediation if remediation is indicated by the test results.

Once retraining plans are established, eligibility documentation is checked. This includes proof of layoff status. Since the applicants were precertified during orientation, they were familiar with the eligibility requirements.

Actual enrollment is delayed until space is available in the classroom. Because the steelworkers scored higher on the TABE than was expected, remediation was unnecessary in most cases, and immediate entry into skill training classes was arranged. This resulted in a staggered enrollment as openings in the desired classes became available.

About 75 applicants completed the vocational counseling and assessment activities which are the final phase of intake. Of these, 60 are enrolled in classroom training and two are enrolled in on-the-job-training. Another 15 are still awaiting space and will be integrated into one of the skill training programs offered at either the community college or the vocational-technical school.

Classroom Training. There are three types of classroom instruction open to program participants. The community college offers classes in remediation and skill training in six occupations. The vocational-technical school, located across the street from the community college, offers four additional skill training areas that are jointly sponsored with the college and incorporates resources from both institutions.

The first type of training--remediation--is a brush-up course in basic academics that is designed to fit the curriculum requirements of each participant's chosen skill training. The Mercer County Community College opened a special section of its high school equivalency program to accommodate the steelworkers. In this program, the two instructors were carefully selected for their ability to work with students with varying levels of ability and their skills in translating occupational training academic prerequisites into a remediation objective. Although only one instructor is in the class at a time, it requires two instructors to conduct this type of education experience. Classes average 20 students in size and run six hours a day five days a week. Instructors divide the training assignments to take greatest advantage of their respective strengths.

The TABE test provides the instructors with an excellent tool for diagnosing specific academic deficiencies and strengths. The instructors analyze each student's test results and compare these to the skill training curriculum requirements. The program of instruction is then planned around the discrepancies between the students' capabilities and skill training requirements.

The instruction is competency based and allows the participant to proceed at his or her own pace. On the average, participants will spend two months in remediation. So far 30 participants have taken part in the class. Some of the steelworkers requested the brush-up course even when this was not indicated by the test results. They felt that they would be prepared better for their skill training if given the advantages of remediation before entering the class. Peak enrollment for this class was during the months of November and December.

The second type of training is occupational or skill training offered by the Mercer County Community College Career Training Institute. Enrollment in the Career Training Institute represents only 5 percent of the college's approximately 6,000 students. The college's base is definitely its two-year certificate programs. However, the Career Training Institute is a progressive program of short term skill training limited to occupations for which there is a demand.

The Career Training Institute is comprised of eight vocational offerings. Six of these are courses deemed appropriate for the steelworker program. They are:

- Electronics and Minicomputer Repair--28 weeks;
- Data Processing--15 weeks;
- Computer Operations--15 weeks;
- Account Clerk--15 weeks;
- Secretarial Skills--15 weeks; and
- Word Processing--8 weeks.

Courses are open-entry, open-exit, except for Data Processing and Computer Operations. An open-entry, open-exit class is one that has no prescribed starting and ending dates. Instead, participants enter when they are ready and exit when they have mastered the curriculum.

Most of the skill training courses are 15 weeks in length. Competency-based instruction is used in the open-ended classes, which allows participants to progress at their own speed as each course module is mastered. Competency based instruction entails the use of a series of course modules of increasing levels of difficulty. Each module must be mastered in sequence. Experience with the steelworkers has shown that tutorial type presentations and audiovisual aids, such as those used in competency based instruction, work well with this group.

Enrollments began in mid-November and selection of a particular course was based on applicant interest. If an applicant failed to meet the reading and mathematics prerequisites for the courses selected, enrollment in the remedial program preceded entry into the desired skill training course. Because of the open-ended nature of most of the courses, participants could move from remedial education to skill training with no interruption in services.

The employment of open-ended courses and competency-based instruction accounts for the college's responsiveness and flexibility. The college initiated open-entry classes eight years ago. Although cognizant of the disadvantages, the Director of the Career Training Institute sees more advantages. Among the disadvantages, open-entry classes are more expensive than the traditional closed-entry classes in many respects. The greater costs are ascribed to two factors. Instructors must have special qualifications in the area of competency based instruction and must be able to work in a tutorial relationship with students who are at various points in the curriculum. The second factor relates to the greater investment of time required to develop competency based instruction.

Open-entry classes are characterized as curriculum-driven and less dependent on the instructors, although pupil-instructor ratio is no different. However, more time and effort must be devoted to preparing the curriculum and relevant materials. Open-ended courses are also more difficult to track administratively and it is more difficult to compute costs or tuition per pupil because the attendance period is not fixed.

On the plus side, the open-entry classes allow the college administration greater flexibility. Personnel can be moved around and instructional programs are available when students are ready to enroll. Experience has shown that most students progress more quickly through the open-ended, competency-based program than they do in a traditional course. In this respect, the open-ended courses may prove to be more cost effective. It is estimated that for 20 students completing a one semester course, 30 students could complete the course during the same time period.

The third type of training is conducted jointly by the Mercer County Vocational-Technical School and the Mercer County Community College. Because the vocational-technical school is occupied throughout the day until 3:00 p.m. with high school students and in the evening hours from 7:00 p.m. to 10:00 p.m., the two institutions devised a cooperative arrangement to extend the vocational-technical school's offerings to the steelworkers. By scheduling all theoretical and remedial classroom work in the early afternoons at the college, steelworker trainees can cross the street to the vocational-technical school and engage in the hands-on experiential portions of their training between the hours of 3:00 p.m. and 7:00 p.m. Under this arrangement, the vocational-technical school provides all books, materials, curricula and instructors for the hands-on training. The college provides instructors for the didactic portions which sometimes include remediation.

The vocational-technical school offers training in the following occupations:

- Solar power;
- Auto mechanics;
- Electronic assembly;
- Welding;
- Licensed vocational nurse;
- Refrigeration; and
- Building trades.

Of these, steelworkers showed greatest interest in the building trades, which now has 17 trainees. This program is 12 weeks in length. The welding program is 20 weeks long and has seven trainees, and the electronic assembly program has two trainees and is 20 weeks in length.

The building trades course is a pre-apprenticeship program designed especially for the steelworkers. Each trainee's existing skills were determined by analyzing their job descriptions at the steel mill. Steelworkers may hold a variety of previous occupations in a steel plant, so this requires careful interviewing of the workers to elicit the needed information. Because the school had conducted a survey in 1983 of area employers, school personnel were aware of the specific skill requirements of various jobs. The school's Director of Instruction thus compared the steelworkers' skills with the requirements for various building trades to design the apprenticeship curriculum. For instance, a general electrician shares some common skill areas with steel electricians. The curriculum was developed to close the gap between the two occupations.

These classes are close-ended and steelworkers are segregated into special classes tailored to meet their needs. This approach to working with steelworkers is but one example of cooperative ventures between the two institutions that have a long history of collaboration.

The training offered steelworkers is financed through performance based contracts with the SDA and the vocational school and the community colleges. These contracts provide for payments on the basis of three achieved objectives:

- Enrollment of a JTPA participant;
- Attendance; and
- Placement into training-related unsubsidized employment.

Since November 1984, 60 steelworkers have enrolled in training. The first group to graduate was the electronic assembly trainees who graduated on March 25, 1985. There have been no dropouts reported by the SDA, and both schools believe attendance and interest to be extraordinarily high. The general consensus among all program staff is that steelworkers make ideal trainees.

On-the-job-training is provided to two steelworkers who could not afford to remain unemployed to attend classroom training. This represents another example of how the project strives to tailor services to meet individual needs.

Job Search Training. The community college provides job search training for all its students at the Career Training Institute. In fact, job search training is mandatory because it is considered an important element in job-oriented training.

When a student has completed approximately two-thirds of a skill training program, he or she is integrated into small groups for 30 hours of job search training which is offered at both the downtown college campus and the main campus. The training is integrated into the remainder of the skill training class but is conducted as an extracurricular activity in one- to two-hour segments.

The college's Placement Officer or Job Developer conducts the training on the main campus. The training entails instructions on reading classified ads, resume preparation, networking and how to identify prospective employers. In addition, job interview skills are taught with the help of videotaping of mock interviews. These sessions are occasions for one-on-one instruction. Trainees also get practice in completing various types of application forms.

Individual, self-directed job search is encouraged from the onset of the training. The college will type resumes and provide photocopying as a free service to the trainees. Emphasis, however, is on teaching trainees how to locate their next and future jobs independently of outside assistance.

Job Placement Services. The college's Placement Office and the SDA's job development specialist both have responsibility for assisting the steelworkers to find employment once training is completed. Participant exit dates are staggered because of the number of open-ended classes; therefore, the task of job development and placement is paced accordingly.

The college Placement Office serves as a clearinghouse for placements. Job development staff and the Placement Officer may screen and refer trainees. Their activities are largely employer driven and reflect a longstanding relationship between the college and area employers who have considerable input into the training curricula. Job developers rely greatly on the employer network established by relationships between the college's technical faculty and employers.

An additional job development aid is the employer breakfast. The college holds monthly employer breakfasts to orient new employers or employers not known to the college. They solicit their assistance in developing relevant instructional programs and in placing their graduates.

It has been the college's experience that technical jobs require a longer placement effort of up to three months. Clerical jobs are found within two to three weeks after training completion. The difference reflects the high demand in the state capital for clerical workers. A follow-up of each graduate, including project participants, occurs six months after graduation. In the past, 80 to 90 percent of the college's trainees find training-related employment.

Other Services. The only other service provided steelworkers is financial assistance. Financial assistance takes two forms. The most prevalent are the college's guaranteed student loans which provide a maximum of $1,250 to a trainee. Approximately 35 percent of the steelworkers are receiving loans. Needs-based payments amounting to $40 per week are available through the SDA for those steelworkers who meet the economically disadvantaged criteria. Few steelworkers meet these criteria and none are receiving the allowance. However, once their U.I. benefits expire, which will be soon, there is a greater likelihood that needs-based payments will be made to some of the steelworkers.

Integration Among Components

The case management system is the primary means by which the components are integrated into a coordinated and meaningful program of services. The SDA assigns each participant to a staff counselor whose job is to track participant's attendance and progress toward the employment objectives. This is a natural outgrowth of the pre-employment counseling where the employability plan for each participant is developed. This tracking process continues until the participant terminates the program. The counselors confer with instructors, job developers and participants to obtain information that assures that the plan of services is being implemented.

To coordinate the recruitment, orientation, assessment and enrollment components, the Office of Occupational Education of the Department of Higher Education sent follow-up letters over union officials' signatures to each steelworker surveyed. The letter was sent February 1, 1985, to make sure that no interested steelworker became lost in the intake process. It provided the names and telephone numbers of four key people to contact if there were problems or questions.

The college was cited by the unions for its help in coordinating the initial components as well. In particular, the college organized the financial resources to pay tuition and monitored the referral processes to ensure that agency processing met required deadlines. For the most part, the intake components were integrated through the use of the one-step orientation program attended by all participating agencies.

Utilization of Funds

The Mercer County SDA has a budget of $173,306 of Title III funds to support all services for dislocated workers for Program Year (PY) '85. The steelworkers absorb nearly all of these monies since they represent 95 percent of all dislocated workers served by the SDA. All but 25 percent of New Jersey's Title III funds are awarded to SDAs on the basis of a formula allocation. The funds are not earmarked for a particular program and, in fact, many of the SDAs return much of their money unspent.

As of February 28, 1985, funds budgeted and expended are as follows:

	Budgeted	Expended
Training	$120,069	$52,875
Services	26,915	—
Administration	26,322	10,486
Totals	$173,306	$63,361

Most of the funds support the college and vocational school's performance contracts. It is expected that $50,000 of the PY '84 budget will be unused due to underenrollment. However, no recruitment program is underway or being considered. Underenrollment is considered by the SDA to be inevitable because so many participants need jobs to support their families, and are therefore unwilling to make the necessary time commitments for training.

SDA staff salaries are shared in proportion to number enrolled and funds expended by Title. There are no SDA staff dedicated solely to Title III programs.

An additional sum of $74,498 formula Title III funds was awarded Mercer County Community College by the New Jersey State Department of Labor. These monies were used to set up the Computer Operations and Computer Repair courses. Most of the money was used to supplement college funds for the purchase of equipment.

Links with Employers and Unions

This project was largely the result of USWA efforts to find job training for laid-off steelworkers. In particular, the Chairman of the Grievance Committe for USWA Local 4889 provided much of the project's impetus, participated in the planning and organization of the project and made substantial contributions to the project's implementation. He obtained names and addresses of laid-off workers, counseled them on their recall possibilities and recruited participants for the training. His close collaboration with the Office of Occupational Education and the community college ensured the steelworkers' receptivity to the project and that the project would address the real needs and interests of the steelworkers. The union's mark on this program is indelible.

Although USSC provided at their own expense a job search workshop for laid-off workers, they were not involved in the retraining project. The success of the project, however, has led the company to become involved in the replication of the project in Pennsylvania where the greater number of laid-off steelworkers live. Personnel there now see the value of this approach which seems to have greater support from the steelworkers than does the job search workshop. Some speculate that adverse feelings among steelworkers for USSC makes any program identified with USSC a losing proposition. Others believe that many steelworkers do not possess skills transferable to the area's economy and that those who do have little need for job search training. In either case, participation in USSC's job search workshops was low.

The only relationship between the project and perspective employers is indirectly through the college. Potential new employers of the steelworkers are leary of hiring steelworkers who may be recalled. Frequently, steelworkers are required to waive their recall rights before area employers will hire them.

Project Development

The basic concept for this project was a simple one--to enroll steelworkers into existing local college and vocational education programs using the SDA's Title III funds to subsidize tuition. Neither the plan nor the project was expected to be comprehensive. The key planners were the Chairman of the USWA Local 4889, the Office of Occupational Education and the Director of the Mercer Community College's Career Training Institute. The SDA staff were brought in later and had little influence over the project design and less time to prepare for their involvement in the project. The Office of Occupational Education, being an arm of State Department of Higher Education, interfaced with relevant state agencies to gain their support. These were the State Department of Labor's Employment Service and the Division of Employment and Training (JTPA).

The union and the college worked together to plan training tailored to meet steelworkers' needs and interests. The college and the vocational school had assessed employer's needs and the union, with help from the Office of Occupational Education, had assessed the participants' needs and interests.

The remainder of the planning entailed the identification of persons and organizations who were needed to implement the plan. These were:

- Employment Service staff to precertify applicants;
- College and vocational school personnel to assist in orientation;
- SDA staff to complete the intake and referral process; and
- Remaining union officials to endorse the project and assist with recruitment.

The implementation of the project forced some changes from the original plan. First, the original plan provided for a period of remediation prior to entering skill training. However, less than a third of the steelworkers actually needed remediation. This required a much faster start up of the skill training classes. Second, eligibility certification took longer than expected. It became a two-step process where certification by Employment Service staff located in the SDA's office was preceded by precertification by Employment Service staff at the orientation. A USSC computer printout of laid-off workers did not seem to facilitate the process. Third, there was a greater turnout of steelworkers at the orientation than was expected. This particularly overtaxed the SDA's preemployment counseling and enrollment capacity.

The publicity evolving from the retraining program has sensitized the elected officials and various civic groups to the plight of a significant segment of the work force. As a result, the SDA Private Industry Council is more supportive of dislocated worker programs in general and plans to offer the same program to 250 workers laid off from the Stokes Molding Company.

A second replication attempt is currently underway in Bucks County, Pennsylvania. In this instance, USSC is a full participating partner in the planning. Location of Title III funds in the amount of $500,000 to support the project is the only unresolved obstacle to the implementation of the model there.

Experience with the project has led to several suggested improvements. One change recommended concerns the TABE test. A new version under consideration offers two advantages--it is shorter and is machine-scored so that results are available more quickly.

The second improvement concerns the vocational counseling component. It was felt that vocational counselors needed a greater familiarity with the intimate details of the skill training courses available to participants. The SDA counselors were naturally handicapped in this respect.

Advice to others considering a replication of this model include the following:

- Try to get early warning of a layoff. USSC posts employees' work schedules every Thursday. It was only then that the steelworkers knew who was laid off. This doesn't provide sufficient time to plan a good program;

- Deal with the laid-off workers in groups. They feel less conspicuous and gain a lot of moral courage from one another. Also, it expedites many of the procedures;

- Never exclude unions when workers are union-affiliated. Even a close identification with management can cause the dislocated workers to reject the program set in place to help them. Much depends on the workers' relationship with their previous employer.

Because the funds supporting this project are normal allocations, there is no phaseout plan. In fact, the success of this project has led the SDA to adopt it for all area dislocated workers.

PROJECT ORGANIZATION AND MANAGEMENT

This project represents a loose federation of agencies working cooperatively to serve dislocated steelworkers. There are no formal agreements setting out organizational linkages and responsibilities among the participating agencies. The project as a whole has no manager. The Office of Occupational Education's role as chief coordinator diminished once the project was fully operational. They now informally monitor the project and may conduct a later evaluation. Each of the other entities manages only its particular responsibilities, not the project as a whole.

The absence of a head has had little effect on the project thus far. The Chairman of Local 4889 is in close contact with each of the project participants and in this manner takes the pulse of the project. Agencies have worked out an accommodation for one another and communications among them flow along line functions.

Staff qualifications offer some possible insight into the strengths of the project. The Chairman of the USWA 4889, a key figure in the planning of this project, has been employed by USSC for 32 years and is on a first-name basis with the steelworkers and USSC upper management.

The Director of the college's Career Training Institute holds degrees in marketing and communications. His six-year stint with the college entails grantsmanship and program development. He set up the Career Training Institute and was already well acquainted with JTPA's predecessor, the Comprehensive Employment and Training Act (CETA).

The staff of the Office of Occupational Education hold Ph.D.s and are dedicated and enthusiastic in their mission to advance higher education resources to nontraditional programs. They are the young turks of their agency. One of them is a former union organizer and was well acquainted with many of the locals. She was adept at working with the unions.

The Director of Instruction for the vocational education school is a 13-year veteran of that institution and holds an M.A. in school administration.

The SDA was undergoing a reorganization making it difficult to clarify roles and qualifications of staff. However, it appeared that the key SDA personnel affiliated with the project had many years' experience under CETA prior to JTPA and were experienced employment and training program operators.

PARTICIPANT CHARACTERISTICS

Any Title III eligible person could be enrolled in this project, but only a few nonsteelworkers were enrolled. Eligibility criteria are those set out under the Act. In this instance participants were nearly all steelworkers laid off from the Fairless Steel Works.

The SDA records enrollment data in accordance with state and Federal reporting requirements. Exhibit 3 is a table summarizing the Title III MIS data. This table shows the typical steelworker to be a black male between the ages of 22 and 44. Most (62 percent) had graduated from high school, and 16 percent had post-high-school education. Half of the participants represented two-parent families while nearly a third had no dependents.

From the Chairman of Local 4889, it is learned that nearly all of the steelworkers are homeowners and most are family men and women residing with dependent children.

Lack of income is beginning to be a problem. Most of the steelworkers are subsisting on U.I. benefits and supplemental benefits approximating $210 and $50 - $70 per week respectively. These are running out soon. Many of

Exhibit 3

Mercer County Title III Participants
as of February 28, 1985

Total Participants = 62

Category	Percentage
Sex	
Male	88.7%
Female	11.3%
Race	
White	38.7%
Black	58.1%
Hispanic	3.2%
Age	
22-44	72.6%
45-54	22.6%
55 and over	4.8%
Education	
High School Dropout	21.0%
High School Graduate	62.9%
Post-High School	16.1%
Marital Status	
Nondependent	30.6%
Single Parent, Dependent under 6	1.6%
Single Parent, Dependent 6-17	4.8%
Two-Parent Family	50.0%
Other	9.7%
No Information	3.2%

U.I. benefits exhausted--9 workers
Receiving food stamps--2 workers
On public assistance--1 worker

the spouses are employed. Approximately 10 percent of the laid-off workers are working part time. The union tries to screen and place workers in part-time jobs when U.I. benefits have expired or there is a hardship situation. USSC has a petition filed with the Trade Readjustment Act office but there are no funds available at this time to assist the steelworkers.

The Fairless steelworkers are not considered representative of steelworkers in general. According to the USSC Employee Relations Director, their education levels are higher and they usually represent only second-generation steelworkers as opposed to third and fourth generation steelworkers, which is typical of their counterparts elsewhere.

A compilation of data extracted from the survey of the Mercer County, New Jersey workers shows that only 16 of the 167 steelworkers responding were employed and 10 of those were working part time. Most of the laid-off workers earned weekly wages of $300 to $500 and had been employed from six to 15 years prior to layoff. The tables in Exhibit 4 offer some insights into the characteristics of Mercer County steelworkers. Caution should be exercised in any interpretation of these data. Not all respondents answered every question.

Exhibit 4

Characteristics of Respondents to Survey
Mercer County Steelworkers

Previous Occupations			
Steel Production	23	Operator	3
Laborer	27	Plumbing	3
Machinist	14	Clerical	3
Crane Operator	5	Railroad Switchman	2
Millwright	5	Welder	2
Maintenance	5	Mechanic	1
Accounting	5		

Years Employed		Last Weekly Salary	
1-5	18	$200 - $300	5
6-10	26	300 - 400	27
11-15	40	400 - 500	28
16-20	14	501 - 600	19
20-25	9	601 - 700	1
25-30	2	801 - 900	1
30-35	4		
35-40	1		

Education	
0-8 grades	16
9-12 grades	114
12+	38
AA Degree	7
BS Degree	1

Training Interests			
Computer Repair	56	Welding	47
Electronics	26	Maintenance	46
Computer Programming	32	Word Processing	15
Computer Operations	27	Data Entry	4
Electronics Assembly	25	Account Clerk	8
Security Guard	9	Retail Sales	10
Building Trades	38	Heating/Refrig.	4
Secretarial	1	Nursing	1
Diesel Engine	1	Auto Mech.	3

The difference in education levels is borne out by the results of the TABE reflected in Exhibit 5. Of the 99 Fairless steelworkers taking the test, 32 scored at the 12th-grade level. According to college officials, on an average, steelworkers performed better on the TABE than do high school students entering college. Some 22 members scored on the 11th or 12th grade level in both reading and math.

Exhibit 5

Results of TABE

Number of USWA members: 99

Grade Level	Reading	Math
5th	10	27
6th	7	9
7th	9	13
8th	11	11
9th	5	7
10th	17	7
11th	9	5
12th	32	21

The USWA conducted a survey of dislocated Fairless steelworkers living in Pennsylvania. Results of this USWA's retraining survey of 491 steelworkers show that all had at least three years' experience with the company. The average length of service was 12.8 years. Half of the workers had over 10 years' experience with USSC.

At the time of the survey in December, 1984, 60 had been laid off for more than 10 months. Exhibit 6 shows the length of time off for the remaining steelworkers.

Exhibit 6

Months on Layoff of Pennsylvania Steelworkers

Months	Number of Workers
1	36
2	40
3	51
4	98
5	21
6	36
7	100
8	13
9	6
10 months	24
more than 10 months	60
Total	485

Exhibit 7 is two tables that show a breakout of the jobs previously held by steelworkers when employed. One table depicts general classification and the second table analyzes craft jobs of laid-off workers.

Exhibit 7

Summary of Pennsylvania Steelworker Occupations

Occupation	Number Steelworkers
Technician	25
Clerical	50
Skilled	160
Semi skilled	141
Labor	112
Guard/Service Workers	3
Total	491

Analysis of 147 Skilled Workers
(Includes Some Apprentices)

Blacksmith	2	Millwright	44
Boilermaker	9	Motor Inspector	24
Bricklayer	6	Painter	2
Carpenter	2	Pipefitter	9
Armature Winder	1	Rigger	5
Shop Electrician	1	Rollturner	1
Electrician Wireman	4	Sheet Metal Worker	1
Electrician Repairman	2	Welder	13
Instrument Repairman	5	Mobile Equipment Repairman	4
Machinist	12		

Exhibit 8 is a summary of the occupations steelworkers are interested in pursuing through a retraining program.

Exhibit 8

Results of USWA Retraining Survey of Training Interests of Pennsylvania Steelworkers

Total number of respondents (as of 2/1/85): 491

Breakdown of areas specifically listed on survey form:

Security Guard	40	Computer Repair	240
Retail Sales	35	Electronics	175
Building Trades	211	Computer Programming	144
Restaurant Trades	56	Computer Operations	134
Electronic Assembly	98	Secretarial	7
Welding	164	Accounting	65
Maintenance	160	Word Processing	48
Nurse's Aide	15	Data Entry	50

Breakdown of areas not specifically listed on survey form:

Electrician	20	Floriculture/Horticulture	2
Real Estate Sales	3	Pipefitter	7
Refrigeration, Air Cond.	23		
Tractor Trailor/ Heavy Equipment Operator	24	Hotel Management	2
Cable TV Installation	5	Health Related Occupations	9
Auto, Diesel Mechanic, Auto Body	21	Robotics	5
Machinist, Tool & Die Maker	6	Environmental/Energy	3
Photography	5	Game Warden/Forestry	3

Laid-off steelworkers in general tended to be between the ages of 18 and 40. Only 135 of the 491 surveyed were over 40 years of age. The largest group, 148, were between the ages of 31 and 35 years. The table in Exhibit 9 is a breakdown of Pennsylvania dislocated steelworkers by age groups.

Exhibit 9

Ages of Laid-off Pennsylvania Steelworkers

Ages	Number of Steelworkers
18-25	16
26-30	110
31-35	148
36-40	82
41-45	51
46-50	31
51-55	31
56-60	17
61-65	5

PROJECT OUTCOMES

The project enrolled its first participants in November 1984. By the following February, 62 persons were actively participating and there were no terminations according to the SDA's MIS records. Although no outcomes are recorded at this time, the program staff are very optimistic about the placement opportunities for the steelworkers who are soon to graduate. The college generally places 80 percent of its trainees which would be 60 of the 75 participants to be enrolled this program year.

SIGNIFICANT FINDINGS AND CONCLUSIONS

From the description of the project, six findings seem most significant in terms of designing program services for dislocated workers. These are:

- Participants' adaptability to retraining;
- Educational institutions responsiveness to a small segment of their student enrollment;
- Union's support and effectiveness in setting up the project;
- Absence of supportive services;
- Intake process; and
- Costs.

In this section of the case study, these facets of the project and their implication for other dislocated workers programs are discussed.

Participants Adaptability to Retraining

The survey of 417 dislocated steelworkers in Mercer County resulted in 110 who were sufficiently interested in training to attend the orientation program. In Burlington County, 50 of the 235 steelworkers surveyed attended an orientation. This suggests that 25 percent of the laid-off workers are interested in some type of retraining.

It is apparent that these laid-off steelworkers represent a desireable group of trainees. They are described as intelligent, stable, family oriented and young enough to adapt energeticaly to a new career. These traits contrast with the stereotype of dislocated workers from other industries where former high salaries and high union benefits prevail. In these instances, dislocated workers are described as reluctant trainees who reject jobs that pay less than their former salaries.

The excellent adjustment that the Fairless steelworkers have made to this reemployment intervention may be attributed to the union's attitude and direct action to secure retraining opportunities for them. There seems to be little equivocation on the union's part about the permanency of the layoffs and the need for reentering the work force. With the option of a recall forthrightly dismissed by their union, steelworkers appear to be more receptive to changing occupations even if it results in lower wages.

Another factor contributing to their good adjustment is their relative youth. If program participants are similar to the dislocated steelworkers surveyed by the USAW, the majority are 30-35 years of age. This age group is more easily employed than persons over 40 years of age.

The low drop out rate and motivation of the participants can be explained in several ways. The steelworkers who wanted training required initiative. They had to keep two appointments--orientation and pre-employment counseling. They had to take tests, document their eligibility for Title III support and some had to take a brush up remediation course before beginning skill training. Nor were there any financial rewards for entering training. These factors assured that only motivated and sincere trainees were enrolled.

The design of this project contributes many positive features as well. The most significant is its excellent forging of participant needs and aspirations to the demands of the labor market. Participant aspirations or interests were assessed through the mail survey. Their needs were determined through the academic training and pre-employment counseling. Matching participants' assessed needs and aspirations to skill training at two institutions that are closely locked into the employer community assured that the participants would be connected to real jobs related to their training.

Educational Institutions Responsiveness

The two training institutions further cemented the fit of the program design to participant needs and the labor market by tailoring the remedial and skill training classes to accommodate the steelworkers. Many were open ended classes thus making them available when the trainees were ready to enroll. Remediation was focused on learning objectives specific to the skill training and in some cases was structured around skill training themes. The vocational training school demonstrated an adeptness at transferring old skills to new occupations by designing skill training that bridged the gap between the two. All in all, the responsiveness of the training institutions to the characteristics of this group of dislocated workers is a major strength of the project.

There is little about the training components to criticize; however, the final analysis will come later when the trainees reenter the labor market and test their ability to secure new jobs. A shadow on that happy projection is the loss of U.I. benefits and the effect the subsequent reduction of income may have on program participation and the completion of training. What the project's experience has demonstrated so far is that an effective training facility coupled with the union's support and guidance has resulted in training classes that exhibit low attrition and excellent participant progress.

Unions' Support and Effectiveness

Having the union's backing of a dislocated worker program is generally a good strategy; however in this instance, the local union officials provided effective and knowledgeable leadership as well. The intake process that was key to the excellent matching of applicants to appropriate services and activities was largely a result of union savvy about the laid-off steelworkers and their willingness to work cooperatively with other groups. It also should be pointed out that it is an union official who has gathered and analyzed the most complete data on dislocated steelworkers in the area.

Altogether, the USWA locals reflect a constructive attack on the problem of dislocation — retraining. This has occurred without outside subsidies of the union activities or any prior experience in job training programs.

Absence of Supportive Services

The failure to address nontraining services such as financial counseling, relocation, transportation or other supportive services seems to be of little consequence in this project. If the retraining proves successful in assisting steelworkers to reenter the work force, it will raise the question of the importance of such services to a dislocated worker program serving comparable groups.

Intake Process

The intake process of this project is a model approach. The survey identified needs and screened for steelworkers' interest. It places the ultimate responsibility on the dislocated worker but provides support in the form of detailed information in a reality oriented setting. Furthermore, the process is credible not only because of the union's sanction but also because of the agency staff taking part. They were carefully selected for their competence and firsthand knowledge of the program components. It also incorporated a supportive, informal atmosphere designed to place the steelworkers at ease. As an example, refreshments were served at the orientation which was scheduled for late afternoon and evening hours.

Follow up letters were sent to everyone surveyed to give them names of persons to call if they had not been able to get the help they sought. Throughout, the recruitment, orientation, testing and counseling processes comprising intake were client centered, leaving the steelworker to feel an important person for whom several agencies were interested in serving. This communication of caring was devoid of paternalism and contributed greatly to the steelworkers confidence in themselves and the agencies offering services.

Costs

The current projections call for an 80 percent placement rate. If these projections hold true, this program will spend $197,000 by July 1, 1985, and will graduate 75 trainees, 60 of whom will be placed in training related jobs. This results in a cost of $2,700 per person served and $3,283 per person placed. Since the jobs targeted by the training are well paying, technical occupations, this would constitute a good investment of Title III resources.

Much of the relatively low cost is explained by the volunteer efforts of people affiliated with the USWA and the Office of Occupational Education. Recruitment and orientation were accomplished at no cost to the project.

The absence of supportive services and financial assistance is another cost factor. U.I. benefits were available to nearly all the participants and those who required additional financial assistance, nearly 30 percent, took advantage of guaranteed student loans.

The guaranteed student loans is an unusual adjunct to JTPA training programs but one that should be explored further. The availability of loans at low interest rates is generally associated with young college students. However, a loan of $1,200 can determine whether or not a dislocated worker can undergo a retraining period of six to twelve months. The use of federally guaranteed loans have the advantage of versatility since all public and most private training institutions traffic in an array of student loans. As an enrolled student of such an institution and someone who is low income, JTPA participants are eligible for the loans. Because training periods are relatively brief compared to those of college students, relatively small sums are needed and can be payed back quicker. Pay back occurs after completion of training when the retrained worker is employed.

Senator **QUAYLE**. The hearing is now adjourned.

[Whereupon, at 11:15 a. m., the committee was adjourned.]

OVERSIGHT ON THE JOB TRAINING PARTNERSHIP ACT, 1985

MONDAY, JULY 1, 1985

U.S. SENATE,
SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY,
OF THE COMMITTEE ON LABOR AND HUMAN RESOURCES,
Evansville, IN.

The subcommittee met, pursuant to notice, at 3:03 p.m., in the second floor courthouse, Old Courthouse Center, Evansville, IN., Senator Dan Quayle (chairman of the subcommittee) presiding.

Present: Senator Quayle.

Also present: The Honorable William E. Brock III, Secretary of Labor.

OPENING STATEMENT OF SENATOR QUAYLE

Senator QUAYLE. The hearing will please come to order.

This is our second hearing today. We were in Indianapolis a bit earlier today. This is one of a series of hearings that I'm going to conduct around the State, with a total number of six.

What I've attempted to do is to not just sort of sit back, once we pass legislation and say, "Well, the legislation will speak for itself." What I'm trying to do today—I'm delighted to have the Secretary of Labor with us so he can get a firsthand input as well—is to go out to the people in the cities and the towns and to try to talk and to communicate with the people that are operating the program, talk to many of the groups that are the targets of the program, talk to many of the mayors and the private sector people that really are the essence of the program and who represent the spirit of partnership.

What we are attempting to do is to find out how this program is working. Today, July 1, is in fact the first anniversary of the Job Training Partnership that replaced the CETA Program. We have been in operation for 1 full year.

We are hopeful that we will be able to continue, obviously, for a long period of time because we feel that it's essential that we provide employment and training opportunities, particularly to our economically disadvantaged.

One of the new components, as you all well know, is the dislocated worker provision of JTPA, which was not a part of the CETA Program. Under the Dislocated Worker Program we are offering some training opportunities to those who, through no fault of their own, are not employed today, that have, in fact, terminated their employment, with their previous employer.

Today it is a special honor for me to welcome to the city of Evansville the Secretary of Labor, William Brock. He has been the Secretary of Labor now for a few months. He was the Trade Ambassador for 4—a little over 4 years, and the President asked him to take the Secretaryship just a couple of months ago, and he is well on his way to establishing his own handprints on how JTPA ought to be administered, and how the Department of Labor ought to operate.

We will listen to his testimony, then we will go on to the individual panels.

I would like to, at this time, welcome Secretary Brock here today, thank him for coming to the great State of Indiana, and particularly to this fine city of Evansville, in addition to his visit in Indianapolis already today, and ask him to proceed at his pleasure.

STATEMENT OF HON. WILLIAM E. BROCK III, SECRETARY OF LABOR, WASHINGTON, DC

Secretary **Brock**. Thank you very much, Mr. Chairman.

Let me begin by making two points: first, I am delighted to be testifying before you on the first anniversary of this program in its full term, not only because you authored this bill and are responsible for its passage through the Senate and the Congress, but also because you have taken such an important lead in the whole area of training, retraining or mediation, dealing with the employment problems of this country. And obviously, that is a matter of consuming interest to me in my new responsibility as Secretary of Labor.

Secondly, I think you know of my own background, but I want to compliment you for having the hearing outside of Washington. Evansville is a town that I've been to a number of times before, as I have to Indianapolis.

One of the things that is important about this approach is that I think it's a lot easier to find out how these programs work by talking to the people that have to live with them than it is by talking to those of us who administer them from afar in Washington. It is something that I personally value, and I appreciate your taking the leadership.

If I may, let me just make some basic comments on the intended purpose and effects of the Job Training Partnership Act, and then if you have some questions, I would be happy to try to respond.

I think it's important, first, to stress that the Job Training Partnership Act, JTPA, is a significant departure from what we have done in the area of training and employment programs in the past.

One of my own concerns over the last 20 years of public service is that we seem, too often, to train people for jobs that don't exist, and that's, I think, not only expensive but it's unethical. It really doesn't work.

What we have tried, with the bill that you have brought through the Senate and has now become law in JTPA, is to change the style of operation so that employers have a major role in the design and operation of a Federally funded job training program.

It's the first major test of a public-private partnership. I think that's why the bill itself stresses the word "partnership". It draws on the knowledge and strength of both sectors.

In addition, we have established a new balance on the public sector side of training and employment programs, with State and local officials having a significant voice in the development of this program, along with the private sector. They now plan and run the programs in the community.

Firmly established in JTPA is the fact that job training is the basic service and self-sustaining employment is the objective of this program.

I mentioned the role that you have had in initiating and bringing this legislation to fruition, and I really would like to add my compliments to Governor Orr, because he was also active in supporting you in this effort from the inception, and he has played a very active role in the successful implementation of the bill here in Indiana.

I haven't been in my new responsibilities in the Department of Labor but a couple of months, but I spent a lot of time looking at our programs and trying to evaluate what works and why.

I have devoted particular attention to JTPA, and I am convinced that it is a fundamentally sound and worthwhile program. We've had over a million adults and youth enrolled. We've had several hundred thousand involved in the dislocated worker component, and these are the disadvantaged unemployed. They really are not likely to have much success on their own in getting a job. Ninety-five percent of those in the Title II-A Program are in the disadvantaged category, 42 percent were receiving public assistance, and nearly half are minorities.

Because our success has to be measured, really, in terms of results, we have tried to measure our components against the national standards that were first set up for the program. The most critical measure is that of entry into employment, in other words getting a job. And in that respect, the program has far exceeded the early projections.

Sixty-eight percent of the people who complete the program get a job, 74 percent of those leaving the Dislocated Worker Program have found jobs. Now, that's more than twice the rate of employment of earlier programs. Specifically, the job placement rates for youth, for adults, for welfare recipients all exceed substantially the national standards set for the program.

I think the success is due, really, to those who are going to be testifying here today: Governors, local and State officials, community organizations and others who support this particular approach. The success is evidenced by the fact that despite the budget restraints that we have in Washington, both the administration and the Congress have sought continued funding for the mainline JTPA approach.

I know that you have mentioned, Mr. Chairman, a number of concerns—personally to me, as well as to some of your colleagues in the Congress, and I've heard some of the same comments made by other members of the Education and Labor Committee.

These concerns focus on issues such as whether JTPA is adequately serving youth, whether it works best for the most disadvantaged among the target population, and whether the current performance standards are adequate, and questions about the data collection, reporting requirements, and whether all responsibilities are being sufficiently carried out by all of the systems.

I think it's important that we take this time that you have taken to do an evaluation, to find out exactly where it is working, and how we can improve it.

It's up and running; it's time to consider its potential for addressing problems in the labor market. Some of those problems have been nagging us for years, others are just beginning to make their mark.

Rapid changes in the world's and our own economy are resulting in a restructuring of our labor market. The positive effect of this is that thousands of jobs in new industries, utilizing new skills, are being created, but there is a down side. The down side is that many older industries are in decline, and many skills apparently are obsolescent.

JTPA has shown that it can help those workers who have been dislocated from their jobs in declining industries prepare for a job for the future by providing them with new skills and job search and relocation assistance.

It also has the potential, through the concept of the private-sector partnership and the structure of the PIC's, of bringing about closer coordination among human resource programs, and between those programs and others that impact on the labor market, such as economic development.

Mr. Chairman, I do agree with you that it's important we take a look to see if these programs can be better coordinated and, perhaps, in some cases integrated. I think that it is particularly important that we not view these programs in isolation, one from another. They really are not separable, they are part of a complete, comprehensive pool.

JTPA has a major role to play in addressing the problem of youth unemployment. As you know, that's a problem of special concern to me. JTPA can provide many disadvantaged youth with the skills they need to qualify for that first entry-level job. It can provide others with work experience so that private employers will seek them out.

But I don't believe JTPA, or any single Federal program, can do the whole job of solving a problem that is tragic in its consequences. Today, 16 percent of our white teenagers don't have jobs; 24 percent of our Hispanic teenagers; 43 percent of our black. That's an unacceptable level of unemployment, Mr. Chairman.

I have testified before your committee, urging enactment of the full Youth Employment Opportunity Wage Act which would create thousands of new jobs for young people in their teens by allowing employers to pay them 75 percent of the minimum wage, and I ask again that that bill be passed.

It's a different approach. I think it deserves to be tried. We can test it and evaluate it. If it needs modification, we can modify it. If it doesn't work, let's can it and go on with something else. But the fact is that it is insane for this country to have 43 percent of our minority young people out of work, unable to get work and us not try some new, different things that might prove more effective than what we're doing today.

Finally, Mr. Chairman, it is my hope that through imaginative use of our available resources under the Job Training Partnership Act, through the Youth Employment Opportunity Wage, and with the active partnership of the nation's business community and organized labor, we can achieve a significant and permanent improvement in the employment situation for those who suffer special disadvantages in our labor market: the young people, the minorities, the disadvantaged adults, the welfare recipients and dislocated workers.

I know this is only part of a continuing series of hearings, Mr. Chairman, to look at these issues, but I welcome this beginning. I appreciate your leadership, and I look forward to working with you to resolve and improve this situation.

Senator QUAYLE. Thank you, Mr. Secretary.

I might just point out to you and—perhaps most of the audience know—that much of the renovation that was done in this historic old courthouse was done through our Summer Youth Program, where the people, part of the JTPA, have actually been put to work doing something not only constructive for the city of Evansville and obviously restoring this courthouse, but at the same time giving them a talent and skill that they wouldn't have otherwise.

I think a great deal of compliments go to the people that operate the Summer Youth Program here in putting this together in this old courthouse, and we can sort of see some of the things that stem from JTPA.

Mr. Secretary, one of the questions that I think people that are participants in this program, and particularly those that work in the program might be interested in you amplifying, perhaps, on the priority that the Job Training Partnership Act and the whole Employment Training Program would have under your administration as being Secretary of Labor.

I know your past history not only in the Congress but elsewhere in dealing with employment, and I wonder if you might be able to express to us what kind of a priority basis, the importance that you personally are going to be able to place on seeing the further implementation and discussion of the Job Training Partnership Act under your stewardship as being Secretary of Labor.

Secretary BROCK. One of the things that I've noticed in politics is that it's easy to say whatever people want to hear, depending on what community you are in—and I don't want to be guilty of doing that. I know this is your bill, Senator, so I'm sensitive to that.

It's going to be a priority for me for the simple reason that it goes way beyond anything in the Department of Labor, it goes to my previous experience as the U.S. Trade Representative for the last 4½ years. I have seen this country having a tough time competing: a strong dollar, very high interest rates, the inflation that we had back in the late seventies.

The very high interest rates we had at those times put us in an extremely difficult competitive situation. There really is no way we can compete in the world except through people. All the programs don't mean anything if they're not really resulting in a higher skilled population capable of earning more money in a more productive endeavor.

I don't know of any program in the Federal Government that has a more precise target on this training component of our ability to compete internationally than does the Job Training Partnership Act.

It gives an ability to give human beings a sense of self-worth, a sense of productivity, an ability to acquire skills that they might not have any other way. And if you just go out and watch how this program works in the streets where a young person gets a job, maybe working in renovation here in a building like this, and see the pride and self-respect that comes when they learn good work habits, learn how to work alongside of somebody, maybe of a different race, different attitude, and learn that you can do more by cooperation than you can by competition—that's not only exciting in human terms, it is fundamentally important for the ability of this country to succeed internationally.

I don't want to leave the subject without saying that once in a while I tease my friend Bill Bennett, who is the Secretary of Education. I don't want to say that we can spend all of our time cleaning up his mess, but the fact is that what we are doing here is, in part, a response to what we're not doing in our schools. Too many of our young people are dropping out of school too young and then walking out on the sidewalk and finding out that there aren't any jobs.

I talked to Ben Hooks, the head of the NAACP, a couple of weeks ago and he said something to the effect that if we don't give these kids a shot at gainful employment by the time they are about 22, they're gone. That's a pretty narrow window of opportunity, but it is precisely in that area that JTPA is focused: with its summer programs for young people, with its skills programs for the young and adult, with its dislocated worker components. That's precisely where it's targeted.

I wanted to separate—I don't want to be facetious about that edcational comment, and I certainly don't want to pick on Bill Bennett because I think he's done a good job, but I don't think this country is doing enough in the education area. I really believe that we as parents and as public servants have got to start focusing on improving our educational system from year one. And if we can do that, if we can keep these young people in school, if we can give them summer jobs so that they have a reason to stay in school in the fall and spring, then things are going to be a lot better. We're going to be a lot more productive as a country. And JTPA is a fundamental component of that program.

Senator QUAYLE. You mention the Department of Education and your friend Bill Bennett in particular, it sort of brings up an issue that I've been intensely interested in, and that is how do we eventually coordinate better our employment training programs and our educational programs, because you are precisely correct that the two go hand in glove. The two are very compatible and yet they always have been separate.

You've got separate constituencies that they each represent. You get into your employment training constituency, you've got your education constituency, you have your vocational education constituency, you've got your employment security constituency, and at some time, perhaps, a follow-on, discussion to the JTPA, at some time, would be "How can we get better coordination, consolidation of these programs?"

Secretary **Brock**. Senator, you are right on the mark. I look at what the Department of Education is doing in terms of trying to increase the emphasis on upgrading teacher skills, programs such as we have adopted in Tennessee in the Master Teachers Program, things like that, putting a greater emphasis on education. I am very excited about the effort, because in the last 2 years we have really seen a change in the attitude in this country, since that commission came out with a report called "America at Risk."

It told us all we've got a problem, a serious problem, and now you are seeing action—in Arkansas, Tennessee, Indiana and other States, to really do something, and you've seen a fundamental renewal of emphasis—I think a superb emphasis from the Federal level with people like Bill Bennett and others that are trying to address this problem.

But you can't separate what you're doing in education from what we're doing in training, and from what others are doing in retraining and remediation. And it covers almost all aspects of local government, State government, the Federal Government, all the departments.

About 3 or 4 weeks into the job I asked Bill Bennett and Peggy Heckler, the Secretary of Health and Human Services, to come over and have lunch with me, and we just talked about all the programs that we have that overlap in each other's area. Could we not try to put together sort of a matrix of those issues and see how we could complement each other. In some cases, we would support them; in others, they us; and in others maybe we could have a joint effort.

But it does seem to me that we are trying to deal with a total human problem that really begins with preschool work, running from day care centers to prekindergarten, kindergarten and up through the elementary, and the secondary, into the training programs, into higher education and adult education and retraining programs. It has to be a comprehensive program, and it doesn't really matter to the individual whether it's run by one department or another; all they want to know is, "Can I improve my skills and become more productive as a human being?"

I think that's how we've got to look at it, what can we do to give more opportunity to more people. And that's precisely what we're going to be trying to do in the next 3 years.

Senator **Quayle**. Well, I certainly wish you a lot of luck and offer a special word of encouragement in any kind of consolidation and better coordination that we can get, particularly at the Federal level, because what we do out there, so often, is manufactured and copied back home.

If we have HHS going in one direction on one particular program, and the Department of Education is doing another thing, and the Department of Labor has got its thing, you can just imagine that once it goes through the institutional processes, what it's going to be like when we get down to the local levels of government, and the private sector where, really, the heartbeat is. That's where the people are and that's where the services are being performed, and any kind of clarity that we can come forward with, would certainly be welcomed, would be a great improvement of what we have right now in these different systems.

Secretary **Brock**. You have probably thought more about this subject, and are more knowledgeable than any member of the U.S. Senate, so I would welcome your suggestions and your thoughts on how we can proceed—which you have my commitment—but I'm interested and I'm supportive and I will do the best I can to achieve that.

Senator **Quayle**. I thank you and I look forward to sending you—as a matter of fact, I've got a bill that is going to be ready to introduce sometime later on this summer or this fall that consolidates vocational education, employment security and the employment and training.

You missed the testimony of the Lieutenant Governor this morning, but he was talking about taking employment security—at least the administrative part of it—and giving it back to the States. Of course, he wanted the money, as well, but he wants the administrative control of it, as well.

So I look forward—and when this legislation passes, we will remember that it all began right here in Evansville, with the little friendly discussion between the junior Senator from Indiana and the Secretary of Labor and how we're going to get a better consolidation of these various important components that we have.

I thank you on behalf of the citizens of the Evansville area for coming here today. Your presence and your testimony is reassuring to those people that this program is going to continue, it's obviously going to be a very high priority with you. We look forward to great things and great accomplishments by you as Secretary of Labor, and certainly seeing a track record of JTPA that is deserving of the constituency that it serves. The constituency of the economically disadvantaged and the dislocated worker is perhaps the highest priority that we have, as you pointed out, in trying to maintain that competitive edge that is so vital to our economic growth and quality of life. So Secretary, thank you very much for coming here today.

Secretary **Brock**. Thank you very much.

Senator **Quayle**. Our first panel is a panel of representatives from the local Public-Private Partnership, Jack Buttrum, Mayor Walter Hagedorn, Lewis Plane, Mayor Michael Vandeveer, and Samuel Woehler.

Gentlemen, I may tell you at the outset that your entire statements will be incorporated in the record of minutes that we are taking. I would ask that if at all possible for you to summarize your testimony in 3 minutes. It would be greatly appreciated so that we can get through the number of witnesses that we, in fact, do have, and I will be able to have time to ask some questions.

Somebody will hand you a little piece of paper during the testimony if you go over the 3 minutes. If you can look at that piece of paper and then summarize briefly after that, it will be greatly appreciated by the Chair.

Since we're in the great city of Evansville, I think, as a matter of protocol, we would like to call on its No. 1 citizen to speak first on this panel, and at this time I call the mayor, Mr. Michael Vanderveer, to go ahead and proceed at your pleasure.

Mayor, we are glad to have you here with us.

STATEMENT OF HON. MICHAEL D. VANDERVEER, MAYOR OF EVANSVILLE; JACK BUTTRUM, PRESIDENT, SWANSON-NUNN ELECTRIC CO., EVANSVILLE; HON. WALTER R. HAGEDORN, MAYOR OF TELL CITY; LEWIS PLANE, MANAGER, EXECUTIVE EMPLOYMENT, MEAD, JOHNSON & CO., EVANSVILLE; AND SAMUEL L. WOEHLER, EMPLOYMENT MANAGER, GEORGE KOCK SONS, EVANSVILLE, IN

Mayor Vanderveer. Thank you very much, Mr. Chairman. I appreciate being here, and we would like to certainly extend our warmest welcome to Secretary Brock and again to yourself on behalf of Evansville. We hope you come back often.

We are really here today to discuss and assess the Job Training Partnership Act, which is a law that you authored, and which went into effect in 1983, and one which replaced the old CETA Program.

The focus of the JTPA is, of course, private sector jobs and that is the ultimate extension of this program which consists of a partnership between locally elected officials—and I'm pleased to, at this time, serve as the chief local elected official in our service delivery area—and private industry councils working toward the goal of getting people to work. It's a goal that we need to keep in sight at all times.

I think what was wrong with the old CETA Program, and I think there were some things that were right with it, but what was wrong with the program was that it suffered abuses to such an extent—I guess the best way to say it is that rotten apples spoiled the barrel, and that kind of thing can and does happen even to the best programs.

The kind of abuses that the JTPA could suffer are perhaps of a different kind than those that plagued the CETA Program, but the potential is there for a good program to go sour if, first, the focus solely is on the training and who gets to do the training instead of the trainee and the job he or she is better equipped to get once the training period is over.

I was very pleased at the Secretary's remarks because I think everyone in this room certainly recognizes these things.

The second area is that if occasional fine tuning of the program to meet changing needs isn't provided, and I think with certain changes in the law, as local officials and private sector individuals working together to make it better, this can avoid or lead to an avoidance of the problem.

But in particular areas, such as our own, we need to have certain flexibilities in our program because our area certainly is unlike other areas around the country, and we've been very pleased that for the past 15 years 30,000 jobs have been created in our immediate community, and most of those jobs have to do with service area employees, clerical people, education, health care, and that might distinguish us from another area that's primarily manufacturing.

But I think most importantly of all, I think we need to recognize that job training and economic development certainly do go hand-in-hand, and that at some point soon we need to extend the entire scope of the program, hopefully, to include ways the local elected officials and the local private industry councils can work together to help preserve and create jobs, on which the very success of this program depends. And I think this would be a logical extension of the good program that has been created.

The Secretary did point out that we need to be creating jobs for the future and not jobs that don't exist any more, and so there is a time now for us to review the program and, hopefully, work toward a better way in which the local elected officials, private industries, and Private Industry Councils can work together to make economic development opportunities result in jobs along with the training.

Mr. Chairman, I do appreciate the opportunity to speak before you and the committee this afternoon, and would be available for questions, should you have any.

Senator QUAYLE. Thank you very much, Mayor.

Mr. Jack Buttrum who is the vice president of the PIC Council, and he is president of Swanson-Nunn Electric Co. here in Evansville.

Mr. Buttrum, welcome; go ahead and proceed.

Mr. BUTTRUM. Thank you, Senator, and it's an honor and a privilege to be here.

My credentials are listed in my testimony; I would add two to them. I am chairman of the ad hoc committee functioning—operating the Displaced Worker Program for the private industry council here in Evansville. Also, I serve on the Evansville area Labor Management Committee, and am management co-chairman of the National Association of Area Labor Management Committees.

I would first express my sincere appreciation for the Job Training Partnership Act, for the assistance it has given in both areas of my concern, and for the potential inherent in the act for future assistance opportunities.

The funds provided southwestern Indiana for the operation of activities meant to assist displaced workers have been well-spent and effective.

Through the efforts of southwestern Indiana's PIC Staff and the cooperation of the elected officials, with the assistance of our local educational institutions, most notably Indiana Vocational Training Center, and the acceptance by our local employers, the funding from this source has allowed 715 displaced worker participants; 587 have been trained or are being trained for occuaptions providing more potential employment. One hundred and sixty-seven have been permanently placed, and 528 are still being served.

We have appreciated the flexibility which the act allows for our local management. We are convinced of the need for these funds.

We also recognize that the current program of assisting displaced workers is, in fact, a new and virtually untried process. We are proud of the activities of our particular program. However, we would also urge that a network be established for the sharing of successes and failures as we strive toward making the program of placing laid-off workers as effective as is humanly possible.

And then going to my second topic of interest, that being the concern for assisting labor-management cooperative efforts through the Job Training Partnership Act, and let me first provide some background information.

Prior to 1975, Evansville had a reputation as a, quote, "bad labor town," unquote. Strikes were common; mistrust amongst management and organized labor was rife. It was perceived by many that most problems resulted from inadequate channels of communication between top management and labor officials.

A combination, then, of poor labor image and an inadequate labor-management communications network nourished each other, creating an atmosphere detrimental to Evansville's stability and economic growth. To make a long story short, five of the leading labor officials of Evansville met with five top managers of labor unions and formed—of Evansville—an Evansville Area Labor-Management Committee.

That committee, now expanded with an Area Labor-Management Council consisting of an additional 50 representatives of labor and management, has existed since that time.

In 1978, members of this committee joined with members of a community-wide committee throughout the country to form a national association, dedicated to the concept of organized management and labor working together for economic employment development by fostering within the community the need for harmonious cooperative workplace efficiencies and productivity, thereby promoting economic stability.

Acknowledgement by the local Alcoa plant management, when they made their announcement of a renovation program in excess of $100 million and of that effort, is significant.

So then to summarize, I would leave two thoughts: first, with regard to displaced, recognize the need for funds to continue the Title III Displaced Worker Program, allowing communities the flexibilities for its most effective use; and two, thank you for JTPA and the provision of the act which have allowed use of a portion of the allocated funds for area-wide labor-management committees.

Thank you.

[The prepared statement of Mr. Buttrum follows:]

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June 21, 1985

Testimony by Jack Buttrum
Vice President, Private Industry Council of
Southwest Indiana
Co-President, National Association of Area Labor-Management Committees
Secretary, Evansville Area Labor-Management Committee

Before Subcommittee on Employment and Productivity, U. S. Senate, Chairman, Senator Dan Quayle.

Subject: Oversight Hearing, Job Training Partnership Act, July 1, 1985.

Mr. Chairman and Members of the Subcommittee, Mr. Secretary of Labor, William Brock:

I am Jack Buttrum, President and Owner of Swanson-Nunn Electric Company, Inc., Evansville, Indiana, a company doing approximately $16 million of electrical supply and construction business, employing approximately 250 International Brotherhood of Electrical Workers (AFL-CIO) craftsmen. I serve as Vice President of the Private Industry Council of Southwest Indiana, as Chairman of our Council Ad Hoc Committee overseeing our Displaced Worker Program. I have had the honor of serving as Secretary, since its inception in 1975, for the Evansville Area Labor-Management Committee, and I presently serve as Management Co-Chairman of the National Association of Area Labor-Management Committees.

I also serve as Vice Chairman of the Evansville Housing Authority and am active in the Indiana Regional Minority Supplier Development Council, serving on its Indiana State Board.

I will limit this testimony to a concern of two items: (1) the administration of Title III, Displaced Worker Funds; and (2) a concern for the need of labor and management joint activities leading toward labor-management cooperative efforts for the betterment of employees, productivity improvements, and community-wide employment development.

I would first express my sincere appreciation for the Joint Training Partnership Act for the assistance it has given in both areas of my concern, and for the potential inherent in the Act for future assistance opportunities.

The funds provided Southwestern Indiana for the operation of activities meant to assist displaced workers have been well spent and effective. Through the efforts of Southwestern Indiana's PIC staff and the cooperation of elected officials, with the assistance of our local educational institutions (most notably Indiana Vocational Training Center), and the acceptance by our local employers, the funding from this source has allowed 715 displaced worker participants. 587 have been trained or are being trained for occupations providing more potential employment. 167 have been permanently placed, and 528 are still being served. We have appreciated the flexibility which the Act allows for our local management. We are convinced of the need for these funds.

We are frustrated by the difficulties we have encountered when we try to become involved in troubled plants where layoffs are imminent and find ourselves unable, for a variety of reasons, to become involved until the crisis actually occurs. We are convinced preintervention activities are critical to effective displaced worker programs, and wish we could become involved sooner with our program.

We also recognize this current program of assisting displaced workers is in fact a new and virtually untried process. We are proud of the activities of our particular program. However, we would also urge that a network be established for the sharing of successes and failures as we strive toward making the program of placing laid-off employees as effective as is humanly possible.

Now, going to my second topic of interest, that being the concern for the assisting of labor-management cooperative efforts through the Job Training Partnership Act, let me first provide some background information.

Prior to 1975, Evansville, Indiana, had a reputation as a "bad labor town." Strikes were common; mistrust amongst management and organized labor was rife. It was perceived by many that most problems resulted from inadequate channels of communication between top management and labor officials.

A combination, then, of poor labor image and an inadequate labor-management communications network nourished each other, creating an atmosphere detrimental to Evansville's stability and economic growth. To make a long story short, five of the leading labor officials of Evansville met with five top managers or owners of Evansville businesses and formed an Evansville Area Labor-Management Committee.

That Committee, now expanded with an Area Labor-Management Council consisting of an additional 50 representatives of labor and management, has existed since that time.

In 1978, members of this Committee joined with members of community-wide committees from throughout the country to form a National Association of Area Labor-Management Committees, dedicated to the concept of organized labor and management working together for economic employment development by fostering within the community the need for harmonious cooperative workplace efficiencies and productivity, thereby promoting economic stability of the plant and increased levels of required manpower.

The Evansville Area Committee has been assisted from its inception by the Department of Labor and its commitment for employment generation. The present Job Training Partnership Act, allowing the flexibility of community need assessment, has allowed the use of employment generating funds for the support of the local Labor-Management activity.

The local Committee, representing such unions as the Teamsters, the Machinists, all of the building trades, the United Electrical Workers, the United Mine Workers, the Aluminum Workers, the Teachers Association, the Fraternal Order of Police, the Firefighters Association, and many others; and management represented by such industries as Whirlpool, Alcoa, Inland Container, Crescent Plastics, George Koch Sons; construction companies such as Industrial Contractors, Swanson-Nunn Electric, and many others, continues to be a viable force of labor and management cooperative efforts in the community of Evansville, Indiana, and owes a considerable indication of appreciation to the funds made available through the Joint Training Partnership Act.

Acknowledgement by the local Alcoa plant management, when they made their announcement of a renovation program in excess of $100 million, of their plant's receipt of the Senate Productivity Award, speaks to the success of the community-wide joint Labor-Management Committee and its effects on workplace attitudes through functional in-plant committees for productivity increases resulting from labor-management cooperative efforts.

Support for these committees has been significant and remains important for their continuing operations. A concern of ours is the JTPA's performance based specifications. Recognizing the need for an ongoing activity, we would urgently request funding criteria be developed which would allow funding based more on level of effort and community-wide impact on job development, and less on specific numbers of employment placements.

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And, so, I leave two thoughts for this Oversight Committee.

1. Recognize the need for funds to continue the Title III Dislocated Worker Program, allowing communities the flexibility for its most effective use and application.

2. Thank you for JTPA and the provisions of the Act which have allowed use of a portion of the allocated funds for areawide labor-management committees. In Evansville, Indiana, the use of these dollars has been very effective in our local efforts for employment development.

   A change from a performance-based criteria to one more tuned to level of effort would be most helpful to continuation of our Evansville Area Labor-Management Committee.

Thank you for allowing this opportunity of my testimony.

Jack Buttrum

Jack Buttrum

JB/b

Senator QUAYLE. Thank you, Mr. Buttrum.

Our next witness is Mr. Larry Kleeman who is a PIC member and is Executive Director of the Lincoln Hills Development Corporation of the Community Action Agencies of Perry and Spencer Counties.

Mr. Kleeman.

Mr. KLEEMAN. Thank you, Mr. Chairman.

I'm representing this afternoon Mr. Joe Harlen who is the president of the Spencer County Commissioners. He intended to be here but was unable to attend because he is fulfilling his duties as County Commissioner, so the testimony I am about to read is his testimony.

> During the first 11 months of the program year of 1984, Spencer County, through the JTPA has served 78 individuals, with 46 finding unsubsidized employment. An additional 20 individuals have secured a general education diploma. Overall, 76 percent of the individuals served in Spencer County were welfare recipients, and 45 percent high school dropouts.
>
> I believe that through JTPA, the assistance of the local PIC Training Center of Spencer County, individuals appeared to be more motivated and interested in securing employment.
>
> I believe the job training, with adult basic education studies, coupled with on-the-job training, is the primary reason for the success of the program.
>
> I urge the continuation of JTPA and the many benefits it provides.

Thank you very much.

Senator QUAYLE. Thank you very much, Mr. Kleeman.

Mr. Lewis A. Plane, who is a PIC member and former PIC president, and the manager of executive employment of the Mead, Johnson and Co. here in Evansville.

Mr. Plane.

Mr. PLANE. Thank you. It is a pleasure, Mr. Quayle, to discuss the job training partnership and how it is functioning in southwest Indiana.

Our PIC chose to be the administrative entity. It consists of a few members who were on the transition PIC and a few who were also members of the PIC under title VII of CETA.

When we were first organized and going through the process of establishing direction, emphasis, and organization, one of our discussions centered on the problem of training people for jobs that might not exist, or jobs that were already filled by qualified other folks. We concluded that along with our training activities, we should undertake programs which would make the job market pie bigger. Economic or employment development, then, became part of our focus as an integral part of our training activity.

We formed a committee to be responsible for this from our PIC to take a look at employment development programs. We continued to search for new ways to link employment development to training and placement, and we have earmarked some of our training funds for employer-driven programs for new jobs. This would be specific training for specific employers who would hire PIC-trained disadvantaged people.

Other employment programs have included—or other employment development programs have included programs to provide counsel and assistance to small businesses. This effort has, in turn, led to OJT placements as the businesses grew.

We have provided funding to the Labor-Management Council, which Jack discussed. We are currently funding a study with the Metropolitan Evansville Development Council to identify service organizations which would be appropriate for relocation or development in our SDA.

With the PIC-training capabilities and our partnership with economic development groups, we expect to provide more employment opportunities for the disadvantaged.

The new focus of JTPA requires a closer tie to all employers in our SDA, and we are sensitive to their needs in order to provide training which will provide our clients the job opportunities that they need.

It seems to me that if we are going to serve the disadvantaged, we must start where the jobs are or can be developed, and this has caused us to rely more heavily on OJT programs than we ever did in the past.

We have significantly fewer classroom training programs, relying more on existing programs which are suitable for individual clients.

The performance standards which have been established with JTPA, I think, are good measures for the PIC to evaluate its program. It would seem to me, though, that the standard for wage at placement could cause a PIC to become too selective in determining which clients it can serve. We may be headed toward providing training only for the almost ready to be employed, or the person that is the least disadvantaged.

Perhaps there should be different standards for skills development programs where the participant needs to learn more skills to become employable.

We feel that our partnership between elected officials and the PIC has been very successful. Our initial agreement took more time to negotiate than we expected, but after that negotiation we feel like we have formed a partnership that has been successful, and that this has caused many people to be employed through the PIC efforts that would not have otherwise been employed.

I thank you for the opportunity to speak today.

Senator **Quayle**. Thank you, Mr. Plane.

Next is the mayor of Tell City, the Honorable Walter Hagedorn.

Mayor Hagedorn. This is the first time that I have met Senator Quayle—I have heard my son talk about going through law school with Senator Quayle, and I think that they must have done a good job because the Senator is in Washington, DC, and my son has a good law practice in Tell City.

Senator **Quayle**. Thank you, Mayor.

Mayor Hagedorn. Senator, I would like to thank you for the opportunity to offer this testimony on the activities of the Job Training Partnership Act Program.

As mayor of the city of Tell City, the largest city in Perry County, I have witnessed firsthand the effects of the Job Training Partnership progress, not only on Perry County's unemployed residents but also on the county's retail and manufacturing industries.

For the past 5 years, unemployment in Perry County has ranged from 14.2 percent to 18.6 percent; 1984 saw an average of 16.9 percent, and I would guess that had it not been for the JTPA programs in our county, last year's rate would have been much higher.

While much has been, and is being done in Perry County to maintain existing businesses and industry, as well as to lure new industries and businesses to the county, sheer economics has resulted in a great many businesses and industries closing, layoffs and reduction in workweeks.

Many surviving businesses and industries are now coming to realize that as they contemplate adding new employees, JTPA's on-the-job training program can not only save them money, it can also be the determining factor, in some instances, in whether new employees will even be hired.

The one common thread in any retail business or industry, if you make money you stay in business, if you lose money you close. It's as simple as that.

For that reason, the on-the-job training program has become one of the most enticing development tools available in the county to expand current businesses and industrial work forces, and to lure new business and industry for the county.

In my view, there are two main reasons for the successful transition in 1983 from the old Comprehensive Employment Training Act programs to the Job Training Partnership Act programs.

First and foremost is the increasing development of local elected officials and members of the business community in the decisions which affect the local residents.

I believe that it is critical that local governmental, business, and industrial input be continued. Who better knows the needs of local residents than the residents themselves?

Second, and equally important, are the continued efforts of the PIC training center in Perry County to make their services available and accessible to all segments: the young, through the Summer Youth Program; the old through the Old Workers Program; the permanently laid off through the Dislocated Workers Program; and the high school dropout through the APGD Program.

As I understand, during the period of July 1, 1984, through May 31, 1985, some 104 individuals were served through the PIC training center, with 49 having been placed in nonsubsidized employment. Twenty-eight persons acquired their GED equivalency; 22 OJT contracts, with 19 different businesses, were negotiated. Fifty-five percent of those individuals served were welfare recipients, and 54 percent were high school dropouts.

It's not an easy task to place those persons into a nonsubsidized employment when the unemployment rate is 18 percent, and there are countless skilled workers and college graduates in the job market.

In closing, I would like to offer my support for the continued partnership that has evolved with the implementation of the JTPA Program.

Thank you.

Senator QUAYLE. Thank you very much, Mayor Hagedorn.

The final witness on this panel is Mr. Samuel Woehler. He is the PIC president and is the employment manager Koch Sons here in Evansville.

Mr. Woehler.

Mr. **Woehler**. Thank you very much for the opportunity to report on JTPA and our SDA.

A basic assumption of JTPA has been that greater private sector participation in the development of employment training programs would lead to more job placements of the economically disadvantaged and unsubsidized jobs.

In this light, JTPA provides the framework to actively involve the private sector and, thus, better serves the economically disadvantaged.

JTPA proscribes certain minimum responsibilities of the PIC and allows the PIC to assume virtually as active a role as the PIC and the elected officials determine is in the best interest of those being served.

Our PIC, early-on, chose an active role in this partnership, as I pointed out. The PIC decided, in concert with the elected officials, that if PIC members were to be expected to play a serious role in the development and implementation of the overall training program, those members must be challenged with meaningful responsibility in the program.

The decision was made, then, that the PIC would administer the program. The result of this and other actions, so far, is a PIC comprised of an equitable geographical represenation of capable members who view their roles in JTPA as important contributions to the community.

It has been pointed out that during the transition from CETA to JTPA that classroom training would be replaced by training required specifically by employers and replaced by on-the-job training. Performance-based contracting was implemented, and continues to be the norm.

Tools, basic tools, that JTPA provides are effective in aiding job placements. The ability for JTPA to provide training for employees through on-the-job training in specific classroom training, and various tax credits for hiring JTPA-eligible individuals prove valuable as incentives to employers to utilize JTPA services.

However, I think more important than the financial incentives are the credibility and the ease of the program to use.

JTPA is marketed as and proves to be virtually a paper-free program, from an employer's perspective, making it easy to use.

PIC training centers, Mayor Hagedorn pointed out, are located in all counties, extending services throughout the SDA, which makes the program more accessible to both employers and participants.

JTPA has caused an employer influence through the PIC, enhancing its credibility with other employers, also adding to the credibility of probably the most controversial element of JTPA performance standards.

Performance standards, while both praised and criticized, proponents and opponents alike seem to agree that inclusion of a set of performance standards improve the credibility of JTPA as a legitimate training and employment vehicle.

The emphasis on tangible results from the programs, measured by performance standards, forces SDA's to accomplish precisely what the program is designed to accomplish, and that is achieve placement in unsubsidized jobs.

The experience of the southwest Indiana PIC has been to meet or exceed most of the seven performance standards. Currently, the only standard our PIC is experiencing difficulty meeting is the adult average wage placement. A major reason, in the opinion of our PIC, is in the formula itself that's used to compute that adult average wage. The formula is weighted heavily in favor of some large employers with a fairly high beginning rates, and those employers don't always have jobs available. So we have taken a formal position with the State, asking that that formula be reviewed.

Critics also argue that perhaps the system encourages creaming participants least in need in favor of those most in need. I think it is important, however, to keep in mind that all of these individuals have one common characteristic, and that is that they are all JTPA eligible, they are all in need for some services.

I suggest that rather than making major changes in the performance standards, that if there is a legitimate problem with individuals for whom JTPA was intended to serve, that perhaps the basic eligibility requirements be examined rather than the performance standards themselves.

To summarize, I think also that JTPA is working, that there is a strong partnership that has been formed, and that individuals that are intended to be served are being served in this area. We certainly encourage this to continue.

Thank you.

[The prepared statement of Mr. Woehler follows:]

TESTIMONY BY

SAMUEL L. WOEHLER

PRESIDENT, PRIVATE INDUSTRY COUNCIL, SOUTHWEST INDIANA

EMPLOYMENT MANAGER, GEORGE KOCH SONS, INC.

Thank you for the opportunity to report on the Job Training Partnership Act in Southwestern Indiana.

A basic assumption of JTPA has been that greater private sector participation in the development of employment and training programs would lead to more job placements of economically disadvantaged into unsubsidized jobs. In this light JTPA provides a framework to actively involve the private sector and thus better serve the economically disadvantaged.

JTPA prescribes certain minimum responsibilities of the PIC and allows a PIC to assume virtually as active a role as the PIC and elected officials determine is in the best interests of those being served. Our PIC early on chose an active role in the partnership.

The Southwestern Indiana SDA includes Perry, Posey, Spencer, Vanderburgh, and Warrick Counties. The new PIC appointed with the implementation of JTPA to represent this SDA included several members from the PIC that was in existence under Title VII of CETA. Initial activities of the new PIC during the transition from CETA to JTPA centered around defining its role within JTPA and in educating its members about the new law.

The PIC decided in concert with elected officials that if PIC members were to be expected to play a serious role in the development and implementation of the training program, those members must be challenged with meaningful responsibility in the program. The decision was made that the PIC would administer the program and the City of Evansville, which served as the CETA prime sponsor, would serve as grant recipient. Additionally all elected officials were given direct control of appointment of representatives from their respective counties.

The result of these actions so far is a PIC comprised of an equitable geographical representation of capable members who view their roles in JTPA as important contributions to their community.

During the transition from CETA to JTPA the new PIC made changes many of which had actually been initiated by the former PIC, in the strategy of delivering services. Classroom training was replaced by training required specifically by employers and by on-the-job training. Performance based contracting with service providers was implemented and continues to be the norm.

Problems our PIC faced early on were recognition of JTPA as CETA's successor by eligible participants, employers' conceptions and misconceptions about governmental training programs and relatively stagnant economic conditions. Two of the problems that could be directly addressed were and continue to be addressed.

Potential participants who did not understand that the PIC office took the place of the old CETA office were reached and gradually enrollments increased.

Tools that JTPA provides are effective in aiding in job placements. The ability of JTPA to provide training for employers through on-job-training and specific classroom training, and various tax incentives prove valuable as incentives to employers to use JTPA services, but possibly more important are the credibility and ease of the program to use.

JTPA is marketed as and proves to be a virtually "paper-free" program from an employers perspective, making it easy to use. PIC training centers are located in all counties extending services throughout the SDA, making the program more accessible to both employers and participants.

JTPA is strongly employer influenced through the PIC, enhancing its credibility with other employers. Also greatly adding to the credibility is probably the most controversial element of JTPA -- performance standards.

Performance standards draw both praise and criticism. Proponents and opponents alike seem to agree that inclusion of a set of national performance standards improve the credibility of JTPA as a legitimate training and employment vehicle.

The emphasis on tangible results of the programs (measured by placements, average cost of placements, wage at placement and the youth standards) forces SDAs to accomplish precisely what the program is designed to accomplish -- achieve placement into unsubsidized jobs.

The experience of the Southwest Indiana PIC has been to meet or exceed most of the seven performance standards. Currently the only standard our PIC is experiencing difficulty meeting is the adult average wage at placement.

In the opinion of our PIC a major reason for this dificiency is that the formula used to determine the appropriate range is weighted heavily by three or four rather large employers with high wage rates who have only limited job opportunities at this time. Furthermore, experience consistently shows that the vast majority of job opportunities occur in very small business with ordinarily lower beginning rates of pay. Our PIC has adopted a formal position requesting the State of Indiana to modify this formula to a more realistic representation of the average available wage rate.

Critics of the standards argue that a results driven system such that the performance standards call for require "creaming" those "least in need" of JTPA services and in the process do not serve those individuals "most in need."

It is important during any discussion of performance standards that to consider that individuals "most in need" and "least in need" of JTPA services share a common characteristic: all must meet basic eligibility requirements and are therefore in need of services. To further segment this group is both unrealistic and a disservice. It is unrealistic because the very employers the program is relying on for job placements expects the best possible referral for the job. It is a disservice to the individuals "least in need" because that person has met the same eligibility critered as the person "more in need."

I would suggest that if indeed those individuals for whom JTPA services were intended are not being served that the problem is with the basic eligibility requirements and not with performance standards. I would suggest examining the eligibility requirements and retaining the performance standards that do add a useful dimension to JTPA in terms of program development and credibility to the program.

Service to dislocated workers, those persons unemployed due to plant closings and other structural changes in their employment, is an element not previously available through other employment and training programs. Early and limited experience of our PIC is that the concept of providing training and placement services at the time or immediately prior to becoming unemployed is and will continue to be a positive contribution to the community.

Up to this point in time, the majority of our programs have been concerned with the somewhat traditional job readiness, skill training and job placement activities, which include marketing PIC services to employers. The PIC has had a limited amount of experience in the area of employment generating activities, and is placing much more emphasis on developing ways the PIC can be more involved in employment development in the SDA.

Senator QUAYLE. Thank you very much, Mr. Woehler.

Let me just add this comment and then pose some questions to the panel. What we have here before us is the panel with the public officials and the private sector initiative, and quite frankly, this is the key to seeing this program implemented and making sure that it works, that you've got to have that true communication and cooperation between the public sector that is accountable for the administration of the funds and which has the public confidence and trust to execute a number of the programs.

On the other hand, we need participation of the private sector to give the public sector the advice and to develop the strategies on how you are going to see the economic development take place. I think that that is one of the key— perhaps the essential ingredient that is, at least after 1 year of implementation, that JTPA has apparently gotten off to a good start.

I think Mr. Woehler makes a couple of points on the job performance criteria and how we're going to perhaps define that and make sure that performance, yes, but what are the standards that really go into performance is an issue that we've got to examine a little bit further.

We've also got to take a close look at the so-called creaming issue of whether we're getting down to those really truly hard-core unemployed, or are we taking the disadvantaged, yes, but perhaps a higher quality of disadvantaged, and maybe it's a definition of eligibility. Although I would say that the people that are signing up, particularly in title II, title II-A, are economically disadvantaged individuals, and statistics will bear that out, that they need our help and they need our assistance.

So the expansion of the program, particularly viewing the scarcity of resources with the huge Federal budget deficit, is something that we've got to contemplate.

I'd like to ask the panel—we always like to learn from lessons in the past, and employment training programs have been around for sometime, I think the genesis of Federal training programs is probably in the early sixties, then CETA and now JTPA.

I wonder if you might be able to tell me what you think perhaps the most positive change from CETA to JTPA has been.

Many would advance the argument that while the private sector involvement is the real key this time around, that you've really got good people willing to take their time and the added flexibility has provided this program with an effective start.

Others have sort of advanced the argument that the way this has worked in a decentralized basis is a way that is one of the reasons that this has gotten onto a fairly strong start. Others put forth the proposition that we do not have to worry about public service employment, under CETA that many times was the source of problems with mismanagement, the abuse and the patronage, and things that went on that were subject to a lot of ridicule and criticism of the old system.

I wonder if each of you might try to sort of give us the lessons learned, if you can, in thinking what this program, after 1 year, and compare it to what we had before, perhaps if there is one thing that comes to mind that we ought to be cognizant of and to pay special attention to as we see the development of this legislation.

Mr. Woehler, do you want to take a crack at that first and then I'll go on down the panel.

Mr. **Woehler**. I'll take, probably, a somewhat biased crack at that, and I think that the private sector participation is, and can have long-lasting effects. The jobs that you are trying to place the participants in this program in are in the private sector.

The image of CETA among the area employers, that I have shared discussions with, is not, generally speaking, as positive as what I think JTPA can do, is now doing, and continue to do. So I think the private sector participation is about as positive a thing that has happened.

I think that one reason that that has occurred, though, is the decentralization, the thing that you've mentioned, too, that allows the local areas to have a say in the training program.

Senator **Quayle**. Mr. Plane, if you want to comment on that question.

Mr. **Plane**. I would tend to agree, that I think private sector involvement has been a positive thing. But I think another really positive thing was the requirement in the act that we negotiate agreement with the public officials at the beginning.

We didn't wander around and then say, "Hey, we ought to decide who's doing what." We had to do that first, and I think that was very positive in the program, and think we established some clear direction. The people that were involved felt that they knew what was expected and it made it possible for them to be involved and think our mission through and direct the program accordingly.

And, of course, by our choosing to be the administrative entity, which was again part of that original agreement, it made our PIC members become more involved and knowledgeable, and I think that has contributed positively to the program.

Senator **Quayle**. Mayor Vandeveer.

Mayor **Vandeveer**. I suppose, in looking back over our experience here, probably the strongest thing that has come out of the relationship between the elected officials and the private industry council is a working relationship based on strategies.

I think it gives an opportunity for both sides to develop strategies for accomplishing what the act sets out to accomplish, but also to perhaps get a little more creative and work on ways to help develop our own economic development strategies at the local level.

Mr. Buttrum pointed out the involvement the PIC has had with Labor Management Committee. That's a little something different, perhaps, than it would be in Muncie or another community.

So we've had this opportunity, as a private sector-public sector relationship not only to administer the program to private sector jobs, but to work together and develop strategies for even better economic opportunities in the future.

Senator **Quayle**. Mayor Hagedorn.

Mayor **Hagedorn**. I would refer this to Mr. Kleeman, he is my representative from the Perry County area and he is more familiar with that. I can see the things that are in the program, the old CETA Program, the present program, but Mr. Kleeman handles the program for us and places the people with us. My contact is with Michael Vandeveer.

Senator **Quayle**. Mr. Kleeman, do you want to comment.

Mr. **Kleeman**. I'll take a stab at it, Senator.

I think you are right. I think the increased private sector involvement in this has been a key, and I think the decentralization has been a key; with one caveat to that, I think there is a possibility or a danger of the State overregulating now, first the Federal Government under the Comprehensive Employment Training Act.

Another—and I know this is not a positive thing, we have some positive things, but a potential weakness that I have seen in the program deals with the performance standards and the performance standards becoming a goal or goals of the PIC's to meet those performance standards versus training and placing people.

You can play a number of statistics, play a statistics game in performance standards, and I think that is a potential area that needs to be looked at.

Senator **Quayle**. Mr. Buttrum.

Mr. **Buttrum**. It is nice to sit on this panel with the mayors of our two cities and thank them for the activities which are going—this idea of a joint partnership has really worked in Evansville, IN, and we appreciate that.

Maybe one thing that hasn't been mentioned is that the idea of this whole program, as we train for jobs, is that there be an adequate emphasis put on the matter of job placement efforts.

In Evansville, we have been exceptionally successful with our marketing program. Perhaps it hasn't been mentioned before, but marketing is an essential part. The activity and participation by the private sector allows a good market for our program participants.

So I would try to impress on whoever runs a program like this the importance of a strong marketing effort as we work toward the end result, which is placing people in employment.

Mayor **Hagedorn**. Senator, you not only involve the political people, and when you get the private people involved in it, along with the political people, there's not very much criticism, and this is one part of the program I like. The less criticism, the better.

Senator **Quayle**. I agree.

OK. Gentlemen, thank you very much for your valuable input.

The next panel of representatives of related groups and business, and we have Dr. Victor Baldi, Mr. John Bryant, Mr. James Dittoe, Ardath Eskridge, and Dr. Phillip Summers.

Dr. Baldi who is the vice president and Dean of the Indiana Vocational Technical College here in Evansville.

Dr. Baldi.

STATEMENT OF DR. H. VICTOR BALDI, VICE PRESIDENT-DEAN OF INDIANA VOCATIONAL TECHNICAL COLLEGE, EVANSVILLE; JOHN BRYANT, DISTRICT DIRECTOR, INDIANA EMPLOYMENT SECURITY DIVISION, EVANSVILLE; JAMES T. DITTOE, PRESIDENT, METROPOLITAN EVANSVILLE CHAMBER OF COMMERCE, EVANSVILLE; ARDATH KENT ESKRIDGE, DIRECTOR OF PRACTICAL ARTS, VOCATIONAL AND CONTINUING ADULT EDUCATION, EVANSVILLE-VANDERBURGH SCHOOL CORP., EVANSVILLE; AND DR. PHILLIP M. SUMMERS, PRESIDENT, VINCENNES UNIVERSITY, VINCENNES, IN

Dr. **Baldi**. Senator Quayle, colleagues on the southwest Indiana private industry council, and distinguished guests.

You have established my credentials, so I'll pass over that. I will establish the credentials of our institution, however, one more time for the record.

The Indiana Vocational Technical College is an accredited statewide multicampus system, comprised of 13 vocational technical institutes, offering a 2-year associated applied science degree or a 1-year technical certificate.

It is the third largest State-supported post-secondary educational institution in the State of Indiana, annually serving 52,000 students statewide in credit programs. Our service area here encompasses 11 counties of southwestern Indiana, seven of which border on neighboring States of Illinois and Kentucky.

I'm glad to be here today and my testimony is going to take the form of a case study which provides the positive reinforcement that JTPA is an effective tool for dealing with the training of dislocated workers.

On June 1, 1984, approximately 1,500 employees were laid off by the phaseout of one of the two Whirlpool Corp. production plants located in Evansville, IN. Subsequently, another 300 employees were laid off on December 31, 1984, when the plant shutdown.

This plant closing led to a unique contract between industry, education and State partnership agencies for the retraining of production-line displaced workers.

Because local partnership agencies, historically, have responded cooperatively to community needs, potential issues and problems from the plant closing were addressed proactively, and the majority were circumvented.

The "Projected Reentry"—or the resultant dislocated worker retraining program—is still in effect and has been greatly enhanced due to the efforts of the Job Training Partnership Act.

The program itself is summarized in the written testimony and I'll not go over that except to say, in brief, that the model of the program encompassed four phases of activity: Participant recruitment, assessment, reemployment orientation classroom training, and placement activities.

I'd like to highlight four principal areas of the partnership efforts. One, the onsite registration for unemployment benefits was accomplished by having the Employment Security Division come out to our institution. We had a field office there for the better part of several months.

Second, the private industry funding was used—that is the Whirlpool funding that we received initially—was used as a local match for JTPA. I'm not sure of the facts of this, but I'm led to understand that that was one of the largest private industry participation grants in the history of this.

Third, the placement activities are still going on as a joint activity between the Private Industry Council and our college staff.

I'd like to call to your attention some of the statistics that are involved in this that indicate that we have served over 514 people, that 72 percent of those people are over 30, so we are dealing with an adult market.

There are several observations which are outlined in my written testimony, but in summary I would like to place special emphasis on the word "partnership" in the Job Training Partnership Act title.

Our experience has shown that displaced workers can be effectively served through the combined efforts of staff and agencies such as the Employment Security Division, by the private industry council, and training institutions such as the Indiana Vocational Technical College.

A particularly unique aspect of our experience was to committed involvement of private industry, in this case Whirlpool Corp. Their concern and initial funding which continues to the present, inasmuch as they are continuing to pay for the textbooks, student supplies and tuition for out-of-State students involved in this program, permitted JTPA retraining activities to begin immediately upon plant closing, and it permitted an extension of those services to a broader base of displaced workers. It is our hope that the ultimate outcome of this effort will be full reemployment of those displaced workers.

The initial results appear to be positive: About 27 percent of the 514 students that we've served in that project have been placed through the combined activities with the private industry council staff.

Again, thank you for the opportunity to testify, and I would be glad to respond to any additional questions.

[The prepared statement of Dr. Baldi follows:]

Testimony by

H. Victor Baldi

Vice President/Dean

Indiana Vocational Technical College-Southwest

before

Senate Labor Sub-Committee on Employment and Productivity

U. S. Senate

Oversite Hearing--Job Training Partnership Act

Evansville, Indiana, July 1, 1985

Mr. Chairman and members of the Sub-Committee:

I am H. Victor Baldi, Vice President/Dean of Indiana Vocational Technical College-Southwest. Indiana Vocational Technical College is an accredited statewide multi-campus system comprised of thirteen vocational technical institutes offering a two-year Associate of Applied Science degree or a one-year Technical Certificate and is the third largest state-supported post-secondary educational institution in the state of Indiana, annually serving 52,000 students statewide in credit programs. Indiana Vocational Technical College-Southwest encompasses 11 counties in southwestern Indiana, seven of which border on neighboring states, Illinois and Kentucky.

I also have the privilege of serving as a member of the Private Industry Council of Southwest Indiana. Let me express my appreciation for the invitation to address your Committee at this field hearing on the JTPA oversite. My testimony today will take the form of a case study which will provide positive reinforcement that JTPA is an effective tool for dealing with the retraining of dislocated workers.

On June 1, 1984, approximately 1,500 employees were laid off by the phase-out of one of two Whirlpool Corporation production plants located in Evansville, Indiana (population 130,000). Subsequently, another 300 employees were laid off by December 31, 1984 when the plant shut down.

The plant closing led to a unique contract between industry, education, and the state partnership agencies for the retraining of the production line displaced workers. Because local partnership agencies historically had responded cooperatively to community needs, potential issues and problems from the plant closing were addressed proactively and the majority were circumvented. "Project Re-Entry", the resultant dislocated worker retraining program is still in effect, and has been greatly enhanced due to the efforts of the Job Training Partnership Act (JTPA).

Prior to the announced shutdown, Whirlpool Corporation contacted Indiana Vocational Technical College-Southwest and requested a proposal for a retraining program. The concept of such a program had been part of Whirlpool management's agreement during the union negotiations preceding the plant closing. Ivy Tech-Southwest and Whirlpool management agreed that the goal of the retraining program should be to equip any eligible displaced worker with a marketable skill through a two-week assessment and subsequent one-year retraining program, thus providing the community with a retrained labor force.

In brief, the Project Re-Entry model encompassed four phases of activity: (1) Participant Recruitment; (2) Assessment/Reemployment Orientation; (3) Classroom Training; and (4) Placement Activities.

The Recruitment phase was jointly sponsored by Whirlpool and Ivy Tech and consisted of direct marketing activities to eligible participants. Prior to lay-off, inplant orientation sessions, brochures, and plant news releases were initiated. At various stages of the actual lay-off, Whirlpool Corporation provided eligibility lists to the Project staff so the participants could be directly contacted by the Project staff. These types of direct marketing efforts were recognized as one of the early primary reasons for Project Re-Entry's success.

The two-week Assessment and Reemployment phase was the basis for training eligibility. Each participant was individually assessed and evaluated (through career counseling and skills testing) to determine the most appropriate direction for reentry into the community workforce. Upon completion of the two weeks, available 'lanes' for choice were: one year of Ivy Tech-Southwest retraining; retraining at other institutions with referral to the appropriate Admissions/Financial Aid Offices; Ivy Tech Placement activities or outreferral to Indiana Employment Security Division Placement activities; Private Industry Council activities, etc. A 20-hour job search skill component was also incorporated along with a computerized job market search, goal-setting/ decision-making training and the perspective of a changing economy.

The Retraining phase provided one year of Ivy Tech-Southwest training in any of 20 programs of study. Entry into the classroom training module could begin anytime up to June 30, 1985, regardless of the completion date of the two-week Assessment Module.

The Placement phase provided job placement assistance from the network of community partnership agencies as well as access to Ivy Tech Southwest's placement opportunities.

PARTNERSHIP EFFORTS/ACTIVITY

Project Re-Entry progressed smoothly in the development stages as shutdown approached. All local and regional state partnership agencies were kept informed through consistent dialogue on the development of the project model and their projected roles.

Cooperative efforts were readily aligned as the local partnership agencies met formally on a monthly basis (The Evansville Employment and Training Agencies) to exchange information on current and future programs and to study cooperative efforts for any needed community project. (Representatives from the Private Industry Council of Southwest Indiana, Indiana Employment Security Division, Evansville Department of Metropolitan Development, Evansville Chamber of Commerce, Indiana Rehabilitation Services, Evansville Vanderburgh School Corporation, and Indiana Vocational Technical College-Southwest constitute the Evansville Employment and Training Agencies.)

These early partnership efforts paid dividends when it was realized that because Project Re-Entry was to be funded initially by private sources (Whirlpool Corporation) as opposed to JTPA or other public funding, the potential classroom retraining portion of Project Re-Entry could not be regarded as an "approved training program" according to Indiana regulation. This development meant that enrolled participants would not retain automatic eligibility for unemployment insurance benefits. A creative resolution was effected through cooperative dialogue between Whirlpool Corporation, Indiana Vocational Technical College-Southwest, Private Industry Council of Southwest Indiana, and Indiana Employment Security Division at both the local and state levels. The private funding for the classroom training portion was recontracted through the Private Industry Council of Southwest Indiana, and Indiana Vocational Technical College-Southwest entered into a contract with the Private Industry Council for the training portion of the project. Each participant who enrolled in the two-week Assessment/Reemployment phase was subsequently registered as a JTPA participant. Field offices for the Private Industry Council registration and for Indiana Employment Security Division unemployment benefits registration were also established at the Indiana Vocational Technical College-Southwest.

Highlights of partnership efforts are as follows:

(1) During the two-week Assessment and Remployment Module, Indiana Employment Security Division placed an Employment Counselor at the Project Re-Entry site on a weekly basis to register and work with Project participants for a six-month period.

(2) The program, as originally contracted for by Whirlpool Corporation, contained eligibility requirements that stated the employee (1) must have been laid off between May 25, 1984 and December 21, 1984 and (2) must have processed through Project Re-Entry's two-week Assessment and Reemployment Module in order to qualify for one calendar year of classroom training funded in full by Whirlpool Corporation. A significant impact on a participants' educational objective was the awarding of the Governor's Discretionary Grant ($1,100,000) administered through the local Private Industry Council. This grant established eligibility of services for any Whirlpool Corporation laid-off worker regardless of the lay-off date. The funding criteria enhanced an already successful program by additionally providing:

(a) Non-consumable supplies (tools) needed to complete a training program
(b) Provision of GED training through Evansville Vanderburgh School Corporation
(c) Provision of Individual Training Contracts for study/training at institutions other than Indiana Vocational Technical College-Southwest
(d) An additional job development and placement activity lane
(e) Opportunity for on-the-job training (OJT) experience.

(3) Whirlpool Corporation applied for and received approval for benefits of the Trade Readjustment Act (TRA). Indiana Employment Security Division was then able to extend unemployment compensation and potential training benefits to enrolled participants.

(4) The completion of services in the two-week Assessment and Reemployment Module were completed December 21, 1984 and the establishment of the Private Industry Council's Reemployment Center, funded through the Job Training Partnership Act (JTPA), provided the community with the continuity needed to serve dislocated Whirlpool workers and largely supplanted the Placement phase portion of the original Project Re-Entry module. Staff from Project Re-Entry and the Private Industry Council's Reemployment Center worked cooperatively to realign services and activities.

(5) Subsequent funding by Title III JTPA funds permitted extension of one additional yeas of the Private Industry Council's Reemployment Center operation and enabled the Private Industry Council to coordinate the following enhanced efforts with Project Re-Entry:

(a) Recontracted the classroom training portion of Project Re-Entry funded by Whirlpool Corporation
(b) Co-sponsored a career search workshop
(c) Funded a second year of training for a projected 180 Project Re-Entry students as they continue toward completion of their educational objective (Associate of Applied Science degree or Technical Certificate) by June 30, 1986

(6) Ivy Tech Southwest was approved for a one-year extension of 2.5 Full-Time Equivalency (FTE) Project Re-Entry staff (July 1, 1985 - June 30, 1986) from JTPA funding, and the establishment of a blended staff effort takes effect July 1985 at the Project Re-Entry site.

(7) Placement efforts have been coordinated through Ivy Tech Project Re-Entry staff, Ivy Tech Placement Office, Indiana Employment Security Division, and the Private Industry Council's Reemployment staff resulting to-date in a 27 percent placement rate for Project Re-Entry participants. Since 83 percent of the students will complete their training activity between November 1985 and June 1986, the heaviest placement activity is yet to be realized.

PROJECT RESULTS

The results of Project Re-Entry to-date reinforce my introductory statement that JTPA is an effective tool for dealing with displaced worker retraining. Between June 1, 1984, and December 31, 1984, 514 displaced workers enrolled in the two-week Assessment and Reemployment Module. To-date, 411 (80 percent) of the 514 original participants have received some form of Ivy Tech classroom retraining. The following statistics indicate the success of the program:

Areas of Study

Applied Sciences and Technology	43%
Business, Office & Information Systems	35%
Visual Communications	12%
Human Services & Health Technology	5%
Courses Only	5%

Average Quarterly Retention Rate	84%
Total Number of Project Re-Entry Students on Financial Aid (August 1984 to June 1985)	102
Number of Project Re-Entry Students applying for Trade Readjustment Act benefits IESD	85

Student Progression through Program		Number of Students
(1) Assessment & Reemployment Module (June 1, 1984 - December 31, 1984)		514
(2) Retraining Module (First Year-Partial JTPA funding) August 28, 1984 - August 27, 1985)		
Fall Quarter (Aug.1984-Nov.1984)	269	
Winter Quarter (Nov. 1984-Feb.1985) (214 returning; 97 new)	311	
Spring Quarter (Feb.1985-May 1985) (270 returning; 26 new)	286	
Summer Quarter (May 1985-Aug. 1985) (227 returning; 26 new)	253	
TOTAL STUDENTS SERVED IN CLASSROOM TRAINING		411
(3) Projections for Retraining Module (Second year-full JTPA funding) (August 28, 1985-June 30, 1986)		180

(4) Projected Graduates (as of May 13, 1985)

May 1985 (Actual graduates)	30	
November 1985	21	
February 1986	26	
May 1986	58	
August 1986 (to be enrolled by June 30, 1986)	58	
Total		193

Student Profile (demographics from 514 students)

Female participants	38%
Male participants	62%
Minority participants	6%
Education:	
High School Education or GED	85%
Some Post-Secondary Training	21%
Age:	
Under 30 years	28%
30 - 40 years	49%
40 - 60 years	23%
Single Parents	21%
Indiana Residents	92%
Kentucky or Illinois Residents	8%

Placement

Major activity is expected to occur when second year retraining is near completion (Spring 1986)

Placed Project Re-Entry Participants	140
PIC OJT Contracts	40
Part-Time Employment	27
Full-Time Employment	73

Note: 13 full-time students have been recalled by Whirlpool and remain in training.

OBSERVATIONS AND RECOMMENDATIONS

A comprehensive evaluation will be completed in June 1986. To-date, thirteen months into Project Re-Entry, four salient points come to the forefront which may lend to the success of future dislocated worker training programs:

(1) Early intervention is the key to a "successful" program. Partnerships play a vital role toward development and implementation, as demonstrated by the issue of unemployment benefits eligibility. Because corporate management informed the community approximately one

year prior to shutdown, all involved agencies were able to offer supportive measures to the Indiana Vocational Technical College/Whirlpool project.

(2) Adequate funding for attracting professional graduate level staff is imperative. Because the participants were initially skeptical and fearful of retraining, the staff's advocacy role was key. In depth one-to-one career and personal counseling helped participants gain self-confidence, motivation, develop stress management skills, and encouraged formation of participant support groups.

(3) Funding availability for computerized equipment allowed participants to confront their unrealistic salary expectations. As part of the two-week Assessment and Reemployment Module, a national, state, and regional occupational data-based search program (Training and Education Data Service) was implemented which provided reality orientation to the current national, state, and regional wage scale. For many of the participants who on an average had 16 years of employment with Whirlpool Corporation, this was the turning point as they were confronted with the reality of average wage scales and realized training would be needed to make them competitive in the job market.

(4) In geographical areas where dislocated workers may live in a border state but work and are laid-off in the manufacturer's state, guidelines for interstate support and/or eligibility requirements (PIC, TRA, etc.) must be defined early in the development stage so the participants receive a clear picture. Initial confusion took too long period of time to clear up even though all states were cooperative (Whirlpool Corporation has lessened this problem by providing continued funding support for the 8 percent out-of-state participants served by Project Re-Entry.)

Summary

In closing, I would like to place a special emphasis on the word "partnership" from the Job Training Partnership Act title. Our experience has shown that displaced workers can be effectively served through the combined efforts of staff from agencies such as the Employment Security Division, Private Industry Council, and training institutions such as Indiana Vocational Technical College. A particularly unique aspect of our experience was the committed involvement of private industry--in this case, Whirlpool Corporation. Their concern and initial funding (which continues to the present in as much as they are continuing to pay for the textbooks, student supplies and tuition for out-of-state participants of students in Project Re-Entry) permitted JTPA retraining activities to begin immediately upon plant closing and have permitted an extension of those services to a broader base of displaced workers. It is our hope that the ultimate outcome of this effort will be full re-employment of these displaced workers. Initial results appear positive.

Thank you again for the invitation to testify.

Senator QUAYLE. Thank you, Dr. Baldi.

Mr. John Bryant.

Mr. BRYANT. Senator Quayle, thank you for the opportunity to testify regarding the status of the Job Training Partnership Act in southwest Indiana.

As district director for the Indiana Employment Security Division, I have become very acquainted with the private industry councils and their staffs in this area. My agency operates the public labor exchange or employment service, administers the unemployment compensation laws, and collects and publishes labor market information in Indiana.

I would like to report to you today about the extent in which State and local policy makers coordinate specifically the relationships with other publicagencies. Additionally, I would also like to talk about the roles and relationships which are currently developing in our southwest Indiana area.

One of the expressed goals of the Job Training Partnership Act was to help improve the coordination of employment training agencies so that effective training programs could be developed.

In southwest Indiana, specifically in Evansville, a local partnership, composed of vocational rehabilitation, Indiana Vocational Technical Institute, the Evansville-Vanderburgh School Corp., the Chamber of Commerce, the Department of Metropolitan Development and Employment Security, as well as the private industry council, has been meeting for the purpose of exchanging program information on a regular basis.

The goal of increasing coordination appears to be working as one of the major benefits which has been derived from JTPA. A level of coordination, local planning and interacting among agencies in this area has never been higher.

It seems clear that the primary—that this primary element of the Job Training Partnership Act is being met very successfully.

When we examine roles and relationships between public, private, nonprofit institutions, as outlined in JTPA, we find that there has been a significant reduction in Federal oversight of training programs, and a very important role expansion for States, specifically for local operating groups.

I'm currently familiar with two service delivery areas, Shanwee-Trace and southwest. The business components who are representing private sector employers have taken the responsibility, as PIC members, very seriously. The PIC's have provided constructive criticism which has helped all of us become better agencies.

In both of these service delivery areas, private sector employers have assumed their new responsibilities with great enthusiasm, and a significant knowledge of the needs of their local areas.

We feel that the relationship between public and private institutions is growing at a very high rate. After so many years of operating independently, the idea of actually asking employers and local elected officials for their input regarding what type of programs serve them, and making them part of the decisionmaking process, is right on target. Very few laws can boast this feature. We feel the great expansion in the employer community is going to occur over the next few years.

In summary, in my capacity and responsibility for seven local offices of the Indiana Employment Security Division in southwest Indiana, and as an individual who has been very active in working in several service delivery areas and their staff, I want to take this time to assure you that while some implementation and coordination issues have been evident, they are no more than the growing pains of a new piece of legislation. The basic inherent purpose and direction of the Job Training Partnership Act is working and has been effective.

We believe that the new direction is appropriate and has given each of us a better opportunity to allocate our scarce resources in the most effective way possible.

Again, I would like to thank you for the opportunity to appear here today.

[The prepared statement of Mr. Bryant follows:]

STATEMENT BY JOHN BRYANT

Chairman Quayle and Committee Members

Thank you for the opportunity to testify regarding the status of the Job Training Partnership Act in Southwest Indiana. As District Director for the Indiana Employment Security Division, I have become very acquainted with the Private Industry Councils and their staffs in this area. I would like to report to you today about the extent in which state and local policy makers coordinate; specifically, the relationships with other public agencies; additionally I would also like to talk about the roles and relationships which are currently developing in our Southwest area.

One of the expressed goals of the Job Training Partnership Act was to help improve the coordination of Employment and Training Agencies so that the most effective training programs could be developed. In Southwest Indiana, and specifically in the Southwest Service Delivery Area, a local partnership group has developed for the purpose of exchanging program information on a regular basis. The goal of increasing coordination appears to be working, and is one of the major benefits which has been derived from the Job Training Partnership Act.

The level of coordination, local planning, and interaction among agencies in this area has never been higher. It seems clear that one of the basic elements of the Job Training Partnership Act is being met very successfully.

When we examine roles and relationships between public, private, and non-profit institutions, as outlined in JTPA, we find that there has been a significant reduction in Federal oversight of training programs, and a very important role expansion for states and specifically, for local operating groups. I am currently familiar with two Service Delivery Areas, Shawnee Trace and Southwest. The business components, who are representing private sector employers, have taken their responsibility as Private Industry Council Members very seriously. The PICs have provided constructive criticisms which have helped all of us become better agencies. In both of these areas, the private sector employers have assumed their new responsibility with great enthusiasm and a significant knowledge of the needs of their local areas. We feel that the relationship between public and private institutions is growing at a significant rate. After so many years of operating independently, the direction of actually asking employers for their input and asking what type of programs serve them seems to have been accepted extremely well. We feel that great expansion into the Employer community will occur over the next two years.

During the early phases of JTPA implementation, it seemed that an excessive amount of time was spent worrying about the roles and relationships of public institutions. From this uncertainty, insecurity, and confusion strong interagency linkages, better communication, better coordination of services, and more importantly, better delivery of services to the employers and the constituent applicants have developed.

I would like to outline for you three specific examples of interagency cooperation and coordination which the Indiana Employment Security Division and Private Industry Council of Southwest Indiana have been able to achieve:

1) During the spring of 1984, Mr. Roy Vanderford, Executive

Director of Southwest Private Industry Council, and Mr. Noel Davenport, Manager of the Evansville Local Office, met and laid the foundation for a joint Summer Youth Program. As you are aware, the Job Training Partnership Act provides dollars and a specific focus on Summer Youth Employment. However, many Employers have historically and traditionally used the Employment Service operation to recruit their summer employees. From this initial meeting came a joint Summer Youth Program which combined the best of both worlds. From this unit a total of over 825 youths were employed in Private and Public sector jobs. Together, this unit was able to focus attention on youth and employer needs at one specific point. This program was continued in 1985, and is one of the best examples of cooperation and outstanding linkages which have been developed over the past several years.

2) Approximately eighteen months ago a department store was opening a new facility in Warrick County. This employer contacted the Evansville Local Office of the Indiana Employment Security Division and requested recruitment assistance. At that point in time, the Evansville Local Office contacted the Private Industry Council and Warrick County Chanber of Commerce and requested assistance in recruitment and screening of applicants for the available jobs. The focus was to provide that Employer with a quality mix of services; as well as, an appropriate mix of applicants. The Private Industry Council of Southwest Indiana joined with the Evansville Local Office, and a joint unit was developed for the specific purpose of recruiting and screening eligible workers for this employer. The intake and acreening took place at a 4-H Center, and I am happy to report to you that approximately 1500 people were screened for

available openings, 350 were referred to the employer, and approximately 85 individuals were eventually hired by this Employer. This is one of the first examples of interagency cooperation in the Southwest area.

3) The Indiana Employment Security Division and the Private Industry Council have currently outlined a proposal to establish a joint unit for the purpose of recruiting approximately 1500 employees for a large Merchandising Company which is locating in Evansville. These two agencies will be the focal point, and will try to broker services from a variety of different agencies. The main goal will be to insure that the Employer has a uniform and consistent Employment and Training recruitment process, and that job seekers will have every opportunity for access and eventual employment with this corporation. The end result will be an appropriate mix of services to satisfy the employment needs of this Employer. This is an exciting adventure. We hope to begin active recruitment in the spring of 1986. However, we find that the successes of tomorrow are being built on the relationships and the experiences of yesterday and today.

In summary, in my capacity and responsibility for seven local offices of the Indiana Employment Security Division in Southwest Indiana, and as an individual who has been active in working with several Service Delivery areas and their staff, I want to take this time to assure you that while some implementation and coordination issues have been evident, they are no more than the growing pains of a new piece of legislation. The basic intent, purpose, and direction of the Job Training Partnership Act is working and has been effective. We feel that the Job Training Partnership Act has been one of the most significant pieces of domestic legislation which has been passed during the last four years. We believe that the new direction is appropriate, and has given each of us a better opportunity to allocate our resources in the most effective way possible.

Again, I would like to thank you for this opportunity to appear here today. If you have any questions, I'll certainly be glad to entertain them at this time.

Senator QUAYLE. Thank you very much, Mr. Bryant.

Mr. Jim Dittoe is a PIC member and also the president of the Evansville Chamber of Commerce.

Mr. Dittoe.

Mr. DITTOE. Thank you, Senator. We appreciate the opportunity to be here, to provide information concerning jobs, employment, and training of the citizens of our area.

I had the opportunity 3 years ago to testify before the hearings concerning the JTPA in Washington and, in general, we are pleased to see that many of the philosophies expressed then are currently being implemented.

Having served as a council member under the old CETA act and subsequently president of the first incorporated Private Industry Council of Southwestern Indiana, I believe that the efforts of many people are proving to be productive.

Under the former act, the people were burdened by bureaucratic gobbledygook which simply got in the way of delivering the service to the people most in need.

As a current member of the existing PIC board of directors, I think that many of the problems of the past have been lessened.

There are a few problems, however, which I would call to your attention. I don't believe that there is a general understanding within the business community of the JTPA.

There is, I believe, a not uncommon belief that the CETA Program is dead and buried, and the country is better for it. This impression does not assist the promotion of an effective program, which I believe the JTPA should be.

I'm afraid that our organization, the chamber of commerce, must plead guilty to the lack of promotion of this program, and this is not at all to lessen the program's importance or the chamber's role in it, but rather a reminder to ourselves that we can all do a better job.

To this end, we are strengthening our efforts with the development council of the chamber of commerce. The Metropolitan Evansville Chamber of Commerce has a development council which is the coordinating group for economic development activities in our community.

The president of the private industry council has a seat on that coordinating group, and it is our sincere intention to fully integrate the training program of the JTPA into our ongoing industries and commercial activities.

One case to illustrate how this might take place is in the case of our newest corporate citizen; that is the T.J. Maxx Co. which is a division of Zayre Corp. We believe it is a model company which is making use of PIC activities.

The new facility of T.J. Maxx will be located in our enterprise zone and will seek to hire individuals in a lower economic condition. Through the coordinated efforts of the chamber, the city, the State, and the local private industry council, actual implementation of the programs will take place.

It is the responsibility of all of us, government, business and various support agencies, to make this public-private partnership a reality, and not merely a pleasant phrase with very little substance.

People and tax dollars are too precious to not strive to accomplish the delivery of a positive and meaningful program.

Senator QUAYLE. Thank you very much, Mr. Dittoe.

Next, Mr. Kent Eskridge, director of practical arts and continuing adult education at the Evansville-Vanderburgh School Corp.

Mr. ESKRIDGE. Thank you, Senator Quayle.

I am here today to testify on behalf of the Evansville-Vanderburgh School Corp. and its JTPA Programs. We appreciate the opportunity to voice our comments on a few of the many issues affecting JTPA policies and programs.

We feel that the JTPA Programs in Evansville, coordinated through the Evansville-Vanderburgh School Corp., are very good. It is a program both organized and ran to provide the client with a highly trained, experienced staff, and designed to prepare the client for the world of work, with emphasis on career choices, good work habits and attitudes.

It is our opinion that the JTPA Programs in Evansville have, indeed, worked. Employment training has enabled individuals to acquire skill training in needed vocational fields.

Through participation in title II activities, youth have gone on to receive skill training, been able to obtain general equivalency diplomas, receive work experience, undergone career guidance and exploration.

Also, youth have been kept meaningfully occupied, exhibiting involvement in community services and the work force. We believe that title II does help increase the chances of young people to obtain successful and productive jobs.

A method utilized in the past for carrying out employment and training policies is the education and training of individuals which enable them to increase their skills.

We believe that in order for JTPA Programs to be successful and to meet their objectives, this method must be the central focus of future programs. JTPA should provide the mechanism through which economically disadvantaged people acquire meaningful skills. Participants should be fully tested and assessed, providing a comprehensive picture of the skills and abilities needed to increase their employability.

Those with the background and the need relevant to current skills training programs should be enrolled. Simultaneously, training and retraining, focusing on skills and abilities which will be useful in the labor market, should be developed, recognized and used.

Only by assessing an individual's capabilities and giving them the opportunity to acquire skills which are in demand is the goal of JTPA going to be reached.

To summarize, it is our position that the JTPA Programs have worked and, with some changes or fine tuning, will continue to be successful. Training, education and employment services are priority considerations for providing for the economic growth of Evansville and Indiana.

Lastly, we believe that a focus on skills training will allow for improved and successful programs in the future.

We thank you, Senator Quayle, for allowing the Evansville-Vanderburgh School Corp. to input some of their concerns and opinions as to the future of the Job Training Partnership Act.

Thank you.

[The prepared statement of Mr. Eskridge follows:]

STATEMENT

on behalf of the

EVANSVILLE-VANDERBURGH SCHOOL CORPORATION

PRIVATE INDUSTRY COUNCIL PROGRAMS

on

JOB TRAINING PARTNERSHIP ACT

ISSUES

submitted to

Senator Dan Quayle

July 1, 1985

Ardath K. Eskridge
Director of
Practical Arts and Adult Vocational Education
Evansville-Vanderburgh School Corporation

Senator Quayle:

I am here today to testify on behalf of the Evansville-Vanderburgh School Corporacion and its JTPA Programs. We appreciate the opportunity to voice our comments on a few of the many issues affecting JTPA policies and programs.

We feel that the JTPA Programs in Evansville, coordinated through the Evansville-Vanderburgh School Corporation, are the best in the country. It is a program both organized and run to provide the client with highly-trained and experienced staff and designated to prepare the client for the world of work by emphasis on career choices, good work habits and attitudes.

There are a variety of programs functioning here in Evansville--of which the Evansville-Vanderburgh School Corporation is extremely proud. In this presentation you will see that these objectives are being fulfilled, and in many respects exceeded, with an emphasis on coordination, supervision, and training.

The Job Training Partnership Act (JTPA) authorized the establishment of a variety of programs designed to provide training and employment service to the economically disadvantaged, unemployed, and underemployed to increase their earning power and prepare them for unsubsidized employment.

Jobs for Graduates

The Jobs for Graduates Program provides high school students with skills needed for the transition from school to work. The program is targeted to students whose school records suggest that they may have difficulty finding jobs. The senior year program offers individual and group training three hours per week.

Alternative Vocational Education

The Alternative Vocational Education Program offers 15 hours per week of classroom training. Sixteen to eighteen year old high school drop-outs may participate in the program for up to six months.

The classroom instruction is in such areas as: job readiness, job search, work maturity, retail trades and building repair. Classroom skill training is combined with technology-related basic education.

After completing the course, the student may make application for admission to a secondary high school vocational class that has openings to improve competencies in vocational skills for advancement in job placement.

The students applications are reviewed by the Alternative Vocational Education Screening Committee consisting of the high school principals and vocational counselors from the Evansville-Vanderburgh School Corporation. This committee gives the students the opportunity of returning to school into a vocational program.

Adult Vocational Training

The Adult Vocational Training Programs allows the Evansville-Vanderburgh School Corporation to offer part-time day and evening classes to PIC Training Center students. The tuition for the classes is charged to the PIC Training Center on a tuition per student basis. The training is based on employer needs in occupational skill areas as identified by private sector employers.

Summer Youth Employment Program

The students attend the Career Resource Center three hours each week during the eight week summer program. The Center will provide students with information concerning "Job Survival" skills, job interviews, methods of finding jobs, etc. The students explore careers using interest surveys, Occupational Outlook Handbooks and local labor market information.

The students are also given tasks relative to "talent assessment", (dexterity tests, mental and manual), reading and math utilizing audio visual equipment.

The "Jobs for Graduates" staff provided assistance in the intake process. They conducted Pre-employment Training classes during May. Job Specialists refer the students to private sector employers throughout the program.

Conclusion

It is our opinion that the JTPA programs in Evansville have, indeed, worked. Employment and Training has enabled individuals to acquire skill training in needed vocational fields. During 1980-81 school year, our PIC Youth Programs exhibited a 90% entered employment rate. The services provided are increasing participants' employability and, as evidenced in this statistic, they are finding jobs. We believe that the emphasis on skill training should be increased in future PIC programs.

Through participation, in Title II activities, youth have gone on to receive skills training, been able to obtain General Equivalency Diplomas, received work experience, and undergone career guidance and exploration. Also, important, the youth have been kept meaningfully occupied, exhibiting involvement in community services and the work force. We believe that, while Title II may not substantially reduce the unemployment rate of youth, it does help to increase the chances of young people to obtain successful and productive jobs.

A method utilized in the past for carrying out employment and training policies is the education and training of individuals which enable them to increase their skills. We believe that, in order for JTPA programs to be successful and meet their objectives, this method should be the central focus of future programs. JTPA should provide the mechanism through which economically disadvantaged acquire skills. Participants should be fully tested and assessed, providing a comprehensive picture of the skills and abilities needed to increase their employability. Those with the background and the need relevant to current skills training programs should be enrolled. Simultaneously, training and retraining programs focusing on the skills and abilities which will be usable in the labor market should be developed, recognized, and used. Only by assessing individuals' capabilities and giving them the opportunity to acquire skills which are and will be in demand, is the goal of JTPA going to be reached - making people more employable.

While policies and programs designed to increase the efficiency of labor markets through such measures as job matching, labor market information, and antidiscrimination programs are relevant to JTPA programs and services, they are secondary to the main purpose of such programs. First, we believe that funds sufficient for the training and subsequent employability enhancement of individuals should be made available. Only then, will increasing the efficiency of labor markets prove to be truly beneficial.

To summarize, it is our position that JTPA programs have worked and, with some changes, will continue to be successful. Training, education, and employment services are priority considerations for improving the economic health of Indiana. Lastly, we believe that a focus on skills training will allow for improved and successful programs in the future.

We thank you, Senator Quayle, for allowing the Evansville-Vanderburgh School Corporation to input their concerns and opinions of the future of Job Training Partnership Act programs and policies.

Senator **QUAYLE**. Thank you very much.

The last member of this panel is from the fine university in Vincennes, Dr. Phil Summers.

Dr. **SUMMERS**. Vincennes University has been involved in this type of activity since 1979 for the CETA Program. We had a five-county ODC operation. We have continued that interest that in the nine-county operation is which called the Shawnee Trace PIC.

We are pleased to be a part of this because it does represent the partnership that I think the legislation seeks.

In the organization of the Shawnee Trace PIC's, there were weekly meetings for about 6 months of elected officials, and business and industry and the education section people. And that has resulted in some of the successes I think you will want to hear about.

In this nine-county area, where there is low population, over 2,500 residents have been served; approximately 1,500 have been placed in unsubsidized employment. About 1,400 have received on-the-job training through contracts; 227 have been enrolled in vocational training; 470 have participated in adult basic education. This demonstrates a success of the program.

But even serving that great number of people, we haven't overlooked what would be considered the target population. A pilot project was pursued in the Bedford area, with 15 hard-to-place heads of household females who had existed primarily on Federal and State subsidies.

Those people have received office skills training and, today, are in the process of being placed in employment. That, to us, is what Job Training Partnership Act is all about.

And our recommendation to you is that there be no major change in the legislation—refine it, yes, but no major change, and that the emphasis be on that partnership of public and elected officials, of business and industry people, and the educators. We think that is how the citizens of this State, and particularly of the Shawnee Trace Service Delivery area will be best served.

[The prepared statement of Dr. Summers follows:]

DRAFT PREPARED FOR CONSIDERATION BY DR. SUMMERS

Mr. Chairman and Members of the Subcommittee, I am Dr. Phillip Summers, President of Vincennes University. It is my privilege to be here today representing our Occupational Development Center. The ODC is the Administrative Entity and Grant Recipient for the Shawnee Trace Private Industry Council, Indiana Service Delivery Area 14.

In 1979 Vincennes University assumed responsibility for the operation of the Occupational Development Center. At that time, the ODC was serving as the Administrative Entity and Grant Recipient responsible for employment and training programs under the Comprehensive Employment and Training Act. From 1979 until the expiration of CETA in 1983 the ODC served the five county area of southwestern Indiana designated as Area L in the Governor's Balance of State program. With the passage of the Job Training Partnership Act the Occupational Development Center provided technical assistance to local elected officials as well as private industry representatives regarding their responsibilities for implementation of JTPA. After the organization of the Shawnee Trace PIC the ODC was selected to serve as the Administrative Entity and Grant Recipient.

The most encouraging aspect of the process involving the change-over from CETA to JTPA is the excellent partnership which developed between the public and private sectors. During the organizational phase of the Private Industry Council the Chief Local Elected Officials assumed and executed an extremely responsible role. Those local elected officials were conscientious in their selection of the membership of the initial Private Industry Council. The process which resulted in those PIC appointments involved Chief Local Elected Officials and others in nearly weekly meetings over a 6 month period. That investment of time is indicative of the sincere effort required to make the JTPA program a success in the nine county area of the Shawnee Trace Service Delivery Area. That same conscientious effort continues today.

Other representatives of Shawnee Trace testified earlier today regarding statistics which reflect the program's success. I would like to reiterate some of those statistics because I believe they do give testimony to a "true" partnership. For example, from initiation of the program October 1, 1983 through the end of May, 1985, a 21 month program period, 2,511 residents of our nine county area have been served by the programs. This includes youth, adult and older workers. Through May 31st, 1,495 had been placed in unsubsidized employment. It is interesting to note that 1,384 On-the-Job Training contracts have been executed while 227 participants have been enrolled in vocational training. This is important because it demonstrates the versatility of resources available under JTPA. We are able to directly serve the employment needs of the private sector through vocational and technical education for needed occupations. At the same time the available private sector resources were utilized for training eligible individuals in on-the-job situations. As a footnote, I would point out that 470 participants enrolled in Adult Basic Education, which is designed to lead to a General Equivalency Degree. Thus they are removed from school dropout status. The GED or high school equivalency diploma is rapidly becoming the minimal educational requirement for many jobs.

JTPA has successfully moved many participants from positions of dependency on federal and state social services to self-sufficiency in full-time unsubsidized employment. The ODC has, in cooperation with other "partners" , recently completed a program designed to assist 15 recipients of Aid to Families with Dependent Children (AFDC) in their search to become economically self-sufficient. In that project, female head of household, AFDC recipients who are also eligible for the Work Incentive Program (WIN) were enrolled in a pilot training program designed to develop office skills. This group was selected for the special training project because it represents the most difficult group of individuals to place in unsubsidized employment. The participants attended 174 hours of classroom training. It is worth noting those participants faced a number of barriers designed to work against their successful completion. Those barriers included child care, transportation and very real economic barriers. Of those who successfully completed this project, some recently began on-the-job training contracts, others have found unsubsidized employment and the active balance are currently in the interviewing phase of securing employment. Given the numerous barriers to employment of the project participants, we believe that this constitutes a successful effort.

Previous CETA legislation often times dictated an over reliance on the public sector to provide dead end public service jobs, limited client service options available to the professional staff, and had a built-in basis for public criticism as well as opportunities for fraud and abuse. Further, as the previous employment and training legislation act aged it become increasingly restrictive, worked to limit the number of citizens eligible for services, and was seldom responsive to the needs of the private sector. The Job Training Partnership Act recognizes that distinction and has built upon it.

It is my opinion that JTPA has proven, in the last 21 months of operation, to be an effective mechanism for delivery of Employment and Training programs. I believe that on the whole JTPA is an excellent program, which can be considered successful at this point. Therefore, it is our recommendation there be no major changes in this legislation.

The philosophy of Vincennes University is to educate those who come to us so that they might serve others. The philosophy of the Job Training Partnership Act is totally consistent with the philosphy of our institution. It is our sincere desire that through our Occupational Development Center we may continue to serve the community through such excellent programs as JTPA.

Again, I appreciate the opportunity to address these comments to the attention of the committee.

Senator QUAYLE. Thank you, Dr. Summers.

Let me just pick up on that last comment on the partnership aspect, and to ask this question: Is there anything that we can do to further encourage the active communication of the various groups that are part of JTPA; for example, this panel here is quite diverse, we have higher education, we've got elementary, secondary education, we've got employment security, we've got vocational education, and we've got the chamber of commerce, all very interested in what's going on?

We tried to establish the PIC as sort of the conduit to get the input from these groups and have, more or less, a collective meeting of the minds and come up with various strategies, whether it be the Shawnee Trace SDA, or whatever the case may be.

I wonder if you, from your viewpoint of being one of the related programs, if you might have any comments on how we could create as good an environment as possible for this communication that is so vital to the success of the program, and getting the training, the type of training to the people who want to get it.

Dr. SUMMERS. I think that as a part of this legislation it has mandated communication. At least in the Shawnee Trace PIC, I believe that has occurred. And we have involved all levels.

Mr. ESKRIDGE. I would corroborate what Mr. Byrant had to say. We have a very good working relationship throughout southern Indiana with all the players in the delivery of skill training and the employment sector, through the offices of the JTPA people and the Employment Security Division. We meet regularly, that is all of the people who are involved in employment and training, and I feel that the mechanism is there; it's in place and working well, and I feel very good about it.

Senator QUAYLE. Mr. Bryant.

Mr. BRYANT. I would certainly like to concur with what Dr. Summers and Mr. Eskridge have said.

I think that what JTPA really does is, it doesn't get in the way; it allows the local players and the local operators of programs to get together, communicate and then make some decisions which impact their particular target or client groups.

Other legislation, oftentimes, doesn't make—not only does it make no provision for it, but it actually gets in the way, because it makes us all compete against each other, and I think that's certainly one of the main benefits that we see in JTPA. It really fosters and promotes that interaction and communication.

Senator QUAYLE. Dr. Baldi.

Dr. BALDI. I would substantially concur. I think that forum that is required for the interaction, the very composition of the private industry councils themselves provides for a distinct diversity. It brings together many different constituencies, and I think that that probably is promoted through other types of interrelations.

There are also a lot of interlocking directorates that are operating, as has already been indicated, through the chamber of commerce. For instance, we have a Metropolitan Economic Development Council. The various educational entities, together with the private sector, have representation on that, so that we have an opportunity through a series of forums to interact with one another and to substantially reinforce the agendas that we are trying to get across, which have to do with economic development.

Senator **Quayle**. Mr. Dittoe.

Mr. **Dittoe**. I would agree with the other gentlemen, Senator. There's just one problem that I think we have, and that is at the upper management level, the presidents of whatever private institutions, speaking of business, I'm not certain that they fully understand all that is taking place at the operational level with these gentlemen right here, with the other witnesses, and with the mayors and at the county commission level.

We have to develop a better understanding so that there can be continual support for this type of partnership program. It is working; I'm just not certain whether the policy level decision makers within the companies understand that it is working.

Senator **Quayle**. Gentlemen, thank you very much for your testimony and coming here today.

The next panel is a panel of JTPA administrators and representatives of targeted populations, David Duckworth, Betsy Horwitz, Mike Geon, John Bennett and Roy Vanderford.

OK. Mr. David Duckworth who is the JTPA Older Workers Program Coordinator here in Evansville.

Mr. Duckworth.

STATEMENT OF DAVID L. DUCKWORTH, JTPA OLDER WORKERS PROGRAM COORDINATOR, EVANSVILLE; BETSY HORWITZ, DIRECTOR, PIC REEMPLOYMENT CENTER, EVANSVILLE; MIKE GEON, DIRECTOR OF HUMAN RESOURCES, WHIRLPOOL CORP., EVANSVILLE; JOHN BENNETT, TREASURER, EVANSVILLE BLACK COALITION, EVANSVILLE; AND ROY VANDERFORD, EXECUTIVE DIRECTOR, SOUTHWEST INDIANA PIC, EVANSVILLE, IN

Mr. **Duckworth**. Thank you for the opportunity to be here today.

I would like to say that the Job Training Partnership Act is working and is working very well; however, in working with the older Americans, I do have a couple of areas of concern I would like to address at this time.

No. 1 is the income guidelines. As you can see in my written testimony, I have indicated some examples of income guidelines for various programs. As indicated, the JTPA has the lowest income allowed.

I understand that there must be guidelines; however, since our goal is to assist the older workers to find gainful employment in the private sector in order that they may be less dependent on other programs, it seems rather self-defeating for them to be more eligible for other social programs than they are for employment assistance.

I might add here that two-thirds of the people that come through my office are ineligible for employment assistance due to income; which leads me to my second area of concern, deletion of the 10-percent window for the older worker.

In the audience is Ms. Thelma Moseley. Ms. Moseley is 74 years old and is receiving Social Security. She was slightly over income for our program. Due to her advanced age, she was having extreme difficulty in finding employment even though she was willing and able to work. With her limited income, she was eligible for and could have received Food Stamps.

Within the provisions of the 10-percent window, we were able to find her employment. She has since completed her training and still gainfully employed and does not need the assistance of other social programs.

The deletion of the 10-percent window provision places a roadblock in the path of the older workers' portion of JTPA. While it is understood that older individuals who do not meet the income requirements can still be served by the 10 percent provision of the 78 percent of the service delivery area, the original intent of the 3 percent set-aside was to segregate the older worker because they were, in the norm, being overlooked.

To place this group of nondisadvantaged older individuals back into the mainstream calls once again for them to be overlooked.

The JTPA sets aside 3 percent of funds for older workers, yet an estimated 25 percent of the unemployed are age 55 and older, and all surveys indicate that this percentage will steadily increase in the years to come. Many of these older persons only meet with frustration when looking for employment because they lack background in personal and job-related skills, thus creating a need to make a special effort to recruit, train and place older adults in the marketplace.

As I stated at the beginning, JTPA is working; however, I feel that emphasis should be placed on the older worker. I think that this can be accomplished by either reinstating the 10-percent window or increasing the minimum income required.

Thank you.

[The prepared statement of Mr. Duckworth follows:]

STATEMENT BY DAVID DUCKWORTH

South
Western
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Regional
Council on
Aging

Because
We Care

Mr. Chairman, Members of the Panel, I am David Duckworth, Coordinator of JTPA 3% set aside for older workers. We are a Subcontractee of PIC.

First, I would like to say that the Jobs Training Partnership Act is working and working very well. However, there are some areas of concern and I would like to address them at this time.

1. Income Guidelines for the Older Workers

Following is an example of income guidelines for various programs:

Example:

Program	Income Guidelines for a Family of 2 Yearly Income
JTPA	$ 7,050.00
S.A.F.E.	10,080.00
Title V	8,400.00
Food Stamps	11,088.00
Family Housing	17,400.00

As indicated, JTPA has the lowest income allowable.

It is understandable that there must be guidelines, however, since our goal is to assist the older worker in finding gainful employment within the private sector in order that they may be less dependent on these programs it seems rather self defeating for them to be more eligible for other social programs than they are for employment assistance. I might add here that 66% of the clients that come through my office are not eligible by reason of income.

This leads me to my second area of concern:

Deletion of the 10% window provision for the older worker.

I have with me today, Miss Velma Mosley. Miss Mosley is 74 years old and receiving Social Security. She was slightly over the income guideline for JTPA. Due to her advanced age, she was having extreme difficulty in finding employment, even though she was willing and able to work. With her limited income she was eligible for and could have received food stamps. Through the provisions of the 10% window, we were able to find her employment. She has since completed training and is still gainfully employed and does not need the assistance of food stamps.

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E.O.E.

The deletion of the 10% window provision places a road block in the path of the goal of the older workers portion of JTPA. While it is understood that non-economically disadvantaged older individuals can still be served by the 10% window provision of the 78% for service delivery areas, the original intent of the 3% set aside was to segregate the older worker because they were, in the norm, being overlooked. To place this group of non-disadvantaged older individuals back into the main stream will cause them, once again, to be overlooked.

The JTPA sets aside 3% of funds for older workers, yet an estimated 25% of the unemployed are age 55 or over and all surveys indicate that this percentage will steadily increase in the years to come. Many of these older persons only meet with frustration when looking for employment, because they lack background in personal and job-related skills, thus creating a need to make a special effort to recruit, train and place older adults in the employment market place.

As I stated at the beginning, JTPA is working. However, I feel that added emphasis should be placed on the older worker. This could be accomplished by increasing the minimum income requirement.

Thank you.

David Duckworth, Coordinator
Job Training Partnership Act

DD/bmf

Senator Quayle. Thank you very much, Mr. Duckworth.

Next I have Betsy Horwitz and Mike Geon.

Do both of you wish to testify? OK. First is Betsy Horwitz who is Director of the PIC Reemployment Center here in Evansville.

Ms. Horwitz. Thank you, Senator.

I am appreciative of being given this opportunity to share with you what we are doing in title III in southwestern Indiana.

My office is in receipt of the $1.1 million grant planned here specifically toward Whirlpool, and we also deal with the formula allocated dollars.

One of the reasons I feel we have been so successful in title III is the partnerships that have been formed, as everyone else has addressed earlier today.

The initial grant was secured through the joint efforts of the PIC, the Whirlpool Corporation, and the Indiana Vocational Technical College, region 12. The division of employment security also played their part, and the joint effort can readily be identified as a positive step toward the pooling of a variety of resources in the community.

A significant part of what we do in title III, which I think is great, is the ability to serve the workers who have been dislocated without taking into account their financial status.

We have the ability to help the individual maintain a sense of dignity and self-worth. We are able to begin service immediately in the bolstering of their positive points instead of dwelling on their financial misfortunes. Being able to take a title III application without all the formal financial disclosures has been an ideal way to begin a positive relationship with our clientele.

Also in title III I think it's significant that we are able to deliver pre layoff inplant services, in preparation for transition into a new world of work. It's a wonderful opportunity for the workers to understand themselves and the new world that they will be forced to enter while still within the realm of their present work site. Learning while they are still earning is easier and makes the knowledge that we have to offer more readily retained by the worker.

Also, inplant services, I feel, usually means a good working relationship between labor and management in the plant, and the buy-in of both parties helps to make it successful.

My major concern in title III lies within the formula allocated dollars in the State of Indiana, and I understand that there is, in fact, a necessity for matching funds; however, the need for—you are shaking your head like you've heard this before—the need for us to match those dollars on a local level does, I feel, necessitate that we become, in fact, an OJT-driven program, whereas I feel very strongly that we, in turn, need to offer retraining in vocational and technical areas to the clients who have been dislocated, because obviously their place of dislocation will no longer be available to them, so they need to learn new skills.

Therefore, I really, truly would like to see the local match requirement in the State of Indiana rethought so that we can turn our efforts and our dollars more toward retraining and not just an OJT system which will provide us with that local match.

In summation, I just wanted to say that I am a former CETA employee, I have worked under title II, and I applaud you for JTPA. It's a pleasure working under this Act.

Thank you.

[The prepared statement of Ms. Horwitz follows:]

PRIVATE INDUSTRY COUNCIL
of Southwest Indiana

RE-EMPLOYMENT CENTER

June 24, 1985

Testimony by Betsy Horwitz
Director; PIC Re-Employment Center
Private Industry Council of Southwest Indiana
Evansville, Indiana

Before Secretary of Labor William Brock & Senator Dan Quayle

Subject: Oversight Hearing, Job Training Partnership Act,
July 1, 1985.

Mr. Secretary, Senator Quayle and distinguished guests:

I am most appreciative at being given this opportunity to address the subject of J.T.P.A. and to share with you some thoughts and concerns on this matter. As I am responsible for the Title III monies only, I would like to speak to this particular component of J.T.P.A. I have worked, previously, for CETA and as Director of Services under Title II, so I feel capable of making some comparisons and am anxious to applaud what is being done under Title III in J.T.P.A.

The PIC Re-Employment Center is in receipt of $1.1 million of Governor's Discretionary money for the laid-off Whirlpool workers and we have approximately $64,000.00 of Formula money to serve those workers from other industries. As of today, we have an active client population of 528 with more than 150 additional workers already having been placed. We have had over 400 workers enrolled in vocational or technical training at various local insitutions and more who are just now signing up. We may be in a unique situation because we have merged both grants into one operation (keeping separate books) and are therefore able to deliver services with one specifically trained dislocated worker staff.

One of the reasons I feel we have been successful and J.T.P.A. is so successful are the bonds of partnership we have formed within the community. The Title III project has been a sharing in every sense of the word with the public and private sectors.

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The initial grant was secured only through the joint efforts of the PIC, the Whirlpool Corporation and the Indiana Vocational Technical College, Region 12. The Division of Employment Security did their part, as well, and the joint effort can readily be identified as a positive step towards the pooling of a varied wealth of resources. I feel the Re-Employment Center continues to be celebration of just what a true cooperative spirit can achieve.

A significant part of what we do in Title III, and one which we think is just terrific, is the ability to serve those workers who have been dislocated without their having to be financially in trouble. We are able to help that individual maintain a sense of dignity and self worth; we are able to begin immediately in the bolstering of their positive points instead of dwelling on their misfortunes. Being able to take an applicaiton without all the formal financial disclosure has been an ideal way to begin our relationship with the client. They are not stripped of their privacy or their pride.

Being able to deliver pre lay-off, in-plant services in preparation for transition is probably the most significant service area of Title III programming. What a wonderful opportunity for these workers to understand themselves and the "new" world of work they are bing forced to enter while still within the womb of their present worksite. Learning while earning (even though they know it will end) is, in our opinion, easier and more readily retained. In-plant services usually means a good working relationship between labor and management. The buy-in, or ownership, on both parts helps make the program successful.

Title III offers us the opportunity to be creative with programming, it is the first area to mandate, in Indiana, financial and emotional counselling for the client as well as allow us to be supportive of the total family unit.

My only major area of concern lies in the area of local match for the Formula allocated dollars. I do understand the necessity of matching funds, to a realistic extent, but feel that these dollars have already been matched on a state level and am not sure that the local match is not, in truth, being detrimental to the client. By mandating local match, an

O.J.T. driven system is almost a necessity. Where else are we going to get 2:1 dollars at such a steady level? I would be unhappy to see retraining take second place. Due to the small amount of Formula monies along with the restrictions, most will have to be placed on an OJT or be placed directly. I feel this partially defeats the purpose of Title III. I do understand that the bottom line is placement but sometimes the road getting there truly takes vocational retraining. I would like to see the local match requirement rethought.

As a former CETA employee, I can say with enthusiasm that J.T.P.A. is just marvelous and that we are pleased and proud to be part of such a helpful employment and training effort.

Senator QUAYLE. Thank you very much.

Mr. Mike Geon, who is also a PIC member, director of Human Resources at the Whirlpool Corporation.

Mr. Geon.

Mr. GEON. Thank you, Senator.

Following the announcement to close our Morgan Avenue plant, Whirlpool was approached by the private industry council staff, which was the start of a unique cooperative effort. Today I am testifying as a party to that cooperative endeavor between government, education and industry, that took place through the Job Training Partnership Act which, in all probability, would not have happened under the Comprehensive Employment Training Act, CETA.

Much of the details of this partnership approach was discussed earlier, and I will not attempt to discuss their testimony or duplicate it.

My major emphasis pertains to the experience of merging private funded programs with public funded programs which, in the end, turned out to be a very effective approach. It allowed more individualized handling of participant problems and provided us with some much needed flexibility. The result was a better product, focused clearly on the targeted population, and professionally delivered to those people. We are truly proud of the results to date.

This cooperative effort was not without its problems at the start. State unemployment laws had to be addressed, due to the use of private funds. Tax laws had to be addressed, due to private funds for training being considered as taxable income to laid-off employees.

Organizations began competing with one another for the delivery of services, and some started to address the problem alone. Complicated bureaucratic guidelines began to restrain what could be reimbursed or taught, due to the merging of programs.

These problems are now behind us. We have overcome them, and have learned a great deal. We feel good about our success; all parties to this project seem to be well pleased.

However, we need to consider those problems in any redesign of the act. A means to merge private funds with public funds more readily needs to be considered and developed. It is imperative that we have the ability to act or respond quickly. Also, consideration might be given to encouraging a copayment system under this program.

In closing, I believe that this experience has helped enlighten the private sector in Evansville to the role of the private industry council under the Job Training Partnership Act.

Thank you for the privilege of testifying before you.

[The prepared statement of Mr. Geon follows:]

Testimony by

MIKE GEON

Director, Human Resources

WHIRLPOOL CORPORATION

before

SENATE LABOR SUB-COMMITTEE ON EMPLOYMENT AND PRODUCTIVITY

U. S. Senate

Oversite Hearing -- Job Training Partnership Act

Evansville, Indiana, July 1, 1985

Mr. Chairman and members of the Sub-Committee:

Good afternoon. My name is Mike Geon and I'm the Director of Human Resources for the Evansville Division of Whirlpool Corporation. In addition, in January of 1985, I was appointed as a member of the Private Industry Council of Southwest Indiana.

Whirlpool Corporation is a manufacturer of major home appliances; and at its Evansville Division, we presently build refrigerators, freezers, and residential ice makers.

In 1982 Whirlpool operated a second plant in Evansville. At that plant, we manufactured compressors and room air conditioners. In the fall of that year, Whirlpool announced the decision to phase out of the compressor business at that plant and to undertake a study to relocate the room air conditioner product to our Highway 41 Plant or to another Whirlpool location. Our employees were advised that these decisions would eventually result in the closing of our Morgan Avenue facility. In December 1983, the decision to relocate the room air conditioner product to another Whirlpool facility was made and the decision to close the Morgan Avenue plant was announced.

Following the announcement to close our Morgan Avenue Plant, Whirlpool was approached by Private Industry Council staff which was the start of a unique cooperative effort.

Today I am testifying as a party to that cooperative endeavor between government, education, and industry that took place through the efforts of the Job Training Partnership Act (JTPA) which in all probability would not have happened under the Comprehensive Employment and Training Act (CETA).

Much of the details of this partnership approach was discussed earlier and I will not attempt to duplicate their testimony.

My major emphasis pertains to the experience of merging private-funded programs with public-funded programs which, in the end, turned out to be a very effective approach. It allowed more individualized handling of participant problems and provided us with some much-needed flexibility. The result was a better product, focused clearly on the targeted population and professionally delivered to those people. We are truly proud of the results to date.

This cooperative effort was not without its problems at the start. State Unemployment laws had to be addressed due to the use of private funds. Tax laws had to be addressed due to private funds for training being considered as taxable income to the laid-off employees. Organizations began competing with one another for the delivery of services; some started to address the problem alone. Complicated bureaucratic guidelines began to restrain what could be reimbursed or taught due to the merging of programs. These problems are behind us. We have overcome them and have learned a great deal. We feel good about our success. All parties to this project seem to be well pleased.

However, we need to consider those problems in any redesign of the Act. A means to merge private funds with public funds more readily needs to be developed. It is imperative to have the ability to act or respond quickly. Also, consideration might be given to encouraging a co-payment system under this program.

In closing, I believe that this experience has helped enlighten the private sector in Evansville to the role of the Private Industry Council under the Job Training Partnership Act.

I thank you for this invitation and privilege to testify on this matter.

Senator **Quayle**. Thank you very much.

Next is Mr. Roy Vanderford who is the executive director of the Southwest PIC council.

Mr. **Vanderford**. Thank you very much.

First of all, I would like to say as a former administrator in the system prior to JTPA, I appreciate the opportunity to be here at all, especially as an employee in this system. Thank you.

I would like to limit my comments to three areas: First, the roles of the partners in the partnership; second, how we relate to the business community; and third, performance statistics, and can we trust them.

First, the roles of actors in the partnership. I fully agree with Secretary Brock that several programs have to be inseparable if this is to work. Certainly, JTPA, the employment service, the vocational education system, and the economic development agencies have to work hand in hand to make this successful.

From the beginning of that partnership, certainly as we left CETA and went into JTPA, we've been what I like to refer to as the Rodney Dangerfield of the partnership. We got no respect.

That is changing, we are getting more respect—we've had to earn it, and sometimes it's been a difficult process, but I think from the testimony you hear today that you will find that we have earned a certain amount of respect.

I don't hear too much, "Oh, you used to be CETA," and that's encouraging.

We have really tried to clarify our mission, as it relates to the other actors. We do two things operationally: First, job readiness activities for people who are seeking jobs; and second, job development activities, usually in the form of incentives, tax credits, OJT, to entice employers to hire our trainees.

In both cases we are trying to change behavior. We are trying to change behavior of job seekers so that they can approach employers better and be better equipped, both with education, with training and with techniques to get employed.

In the case of employers, we are trying to use the incentives to get them to hire someone that they would not ordinarily hire. That puts us in a distinctly different position from the employment service.

The employment service is trying to make the best match of job seekers with the job openings. We are not trying to do that; we are often trying to take someone and get them placed with an employer, place someone that doesn't exactly have the skills they want, and we use our funds to help bridge that gap.

We also look to vocational education very rarely lately. We look to vocational education only when an employer asks for it. We rely very heavily on OJT.

Recently, we've also found that we should be in the economic development business more strongly than we have been because there's no use doing training if there aren't jobs to put the trainees into.

So really, we wind up in a lot of different areas. We bump into a lot of different partners in the system, and you might say that we meddle in everybody's business on behalf of our client population, and we probably stir up a little trouble in the process but I think it all works better because we do.

In our relation to the business community, I had an employer come in the other day and wanted training funds, a major employer. And I asked a simple question, "What are we buying?"

They were somewhat taken back by that question—I don't know if they've been asked by any JTPA administrator before, but we have had a very successful relationship of placing people with that employer without having to pay them anything, and so I asked, "Why should we pay you?" and they could think of no reason, so we're still not. We try to act—what we are looking for is a legitimate business transaction when we are dealing with employers.

Let me summarize by leaving you with three thoughts: One, try to keep the funding levels up. We would like to keep those funding levels up. We could stand some decreases if it's done in a gradual process, and we had some warning. I think we could pick up some of the losses in the future by more program efficiency and by relying more on the private sector. In some cases, fee for services can pick up some of that.

Second, don't change the rules; it's working, let's don't fix it.

And third, let's try to pay more attention and examine the "T" in JTPA. I think we've shown that we can do the placement very well. I think the training still needs to be examined if we're to have some of the trainees make quantum leaps in their job skills.

Thank you very much.

[The prepared statement of Mr. Vanderford follows:]

TESTIMONY
BY
ROY L. VANDERFORD
EXECUTIVE DIRECTOR
PRIVATE INDUSTRY COUNCIL
OF SOUTHWEST INDIANA

Senator Quayle:

I am Roy Vanderford, Executive Director of the Private Industry Council of Southwest Indiana. Thank you for the opportunity to testify regarding the status of Job Training Partnership Act activities in Southwest Indiana.

My comments will be divided into the following three sections:

.... Roles of the Actors in the Partnership

.... How to Relate to the Business Community

.... Do Performance Statistics tell the Real Story?

I. ROLES OF ACTORS IN THE PARTNERSHIP

From the beginning of JTPA, many have believed that a separate, local JTPA entity is unnecessary and a duplication. If a JTPA office must exist, many believe that its primary function should be to hand out money to schools and universities for technical training, to the Employment Service for job placement, to the Chamber of Commerce and local development agencies for economic development purposes, and to employers who will agree to hire "eligibles." From the beginning, we've been the Rodney Dangerfield of the partnership--we get no respect. That's O.K. It just means that we've had to earn it. In Southwest Indiana, we've earned a great deal of respect during the last two years. It is becoming less common to hear others describe our program as "Oh, you used to be CETA."

Locally, we've tried to clarify our mission as it relates to the other actors. We believe that our mission is to place low-income and laid-off persons, who want to work, into jobs. Operationally that translates to two main functions:

.... job readiness activities to prepare people to meet employers' expectations.

.... job development activities (using incentives such as tax credits and on-the-job training payments) to entice employers to hire our trainees.

In both cases we're trying to change behavior. In the case of trainees, we want them to act differently and be better prepared for job seeking and interviewing. In the case of employers, we want them to hire persons that they wouldn't ordinarily hire.

Obviously we're in the job placement business. However, our mission is, or should be, distinctly different from the mission of the Employment Service (ES). The ES should be trying to make the best match between an employer's job opening and a job-seeker's skills. It should be done objectively and efficiently.

I am happy to say that the state ES is taking a major step forward in efficiency by implementing a statewide, computerized matching system. The JTPA role is often to convince an employer to hire someone with less than the desired skill level. To help bridge the gap, OJT funds are given to the employer. If the ES tries to perform the JTPA role, its "best match" credibility is undermined. An ES official once told me that JTPA has enabled the ES to become more employer oriented because JTPA is now doing many of things that used to detract from the pure labor exchange function of the ES.

The mission of the vocational education system should be to teach the job skills that employers will need in the near future. We turn to vocational education whenever we find an employer who has a training need that he/she wishes to fill with classroom instruction instead of or as a supplement to OJT. JTPA entities need to be more creative in helping employers package vocational training with OJT. The vocational education system needs to be more aggressive in identifying new skill needs and in delivering the training. I recently saw a report on vocational/technical education programs in the State of Indiana for last year. It showed that, in secondary school programs, 60+% of the enrollments were in "Consumer/Homemaker" and "Agribusiness." Although these are important areas, it strikes me that this is an agenda for the '50's not the '80's.

Most JTPA organizations have also come to believe that they have a role to play in economic development and job creation. If jobs are lacking, no amount of training will get somebody into a job if it doesn't exist. Thus, most of us have developed stronger working relationships with our local chambers of commerce. In doing so, we are not trying to do their jobs, but rather to supplement their efforts with our resources--both financial and human. We want to be full partners in local development efforts, not just funders of programs.

II. HOW TO RELATE TO THE BUSINESS COMMUNITY

One of the main reasons for the success of JTPA is that we've learned that employers are our clients. Our program is staffed in every county with Employer Representatives who work directly with local employers to identify and meet their hiring and training needs. What we have found is not too surprising:

.... Employers want to hire people with social skills (i.e. pleasant people who won't cause problems for them).

.... Employers need basic skills (English, math) more often than they need specialized "vocational skills."

.... When given a choice, employers would rather have cash (OJT, tax credits) than free classroom training for their new hires.

The main thing that we are looking for in our relationship with an employer is a fair business transaction. We don't give money to employers arbitrarily. We provide incentives for an employer to hire someone who he/she would not otherwise hire without the incentive. If no financial incentive is needed, we simply screen and refer our eligible individuals and the Employment Service can do the same. We need to be careful in our use of financial incentives. We should not be buying a job that was available at no cost.

III. DO PERFORMANCE STATISTICS TELL THE REAL STORY?

The current performance of the JTPA system, as measured by the national standards, is very high. We have definitely proved that we can place people into jobs. However, we didn't become miracle workers overnight. We learned to control program entry by lengthening assessment and orientation and making sure that those we enroll are good placement prospects. We learned to control program exit by doing a better job of tracking and follow-up until the trainees secure a job. We learned to use lower risk strategies, such as OJT where an employer commits to the hiring up front.

It is still impossible to tell the difference between a good program and a bad one by the use of performance statistics alone. Let me give two examples of bad strategies that yield good statistics:

.... Set up an enrollment system with the local ES office. Pay the ES a pre-determined amount for each "JTPA eligible" that they identify and place through their system. The cost is low, the placement rate is 100%, and the ES is being paid to do what is already their job.

.... Approach local employers and tell them that whenever they are about to hire someone, call the JTPA office and have them quickly screen the person for JTPA eligibility. If the person is eligible, enroll the person and set up an OJT contract with the employer. The cost is low, placement is almost guaranteed, and the employer is paid to do what he/she was going to do anyway.

Don't get me wrong. Much of the improvement is real. The establishment of performance standards helped to stress the need for high performance in the system.

It told us and our contractors that Congress is serious about placing people in jobs. I think that, overall, the system has responded admirably. JTPA has gained credibility in a short time period. It has proven that when employers are involved in a meaningful way, effective programs are the result.

CLOSING

I wish to leave you with two thoughts. First, JTPA has been successful because it has been allowed to develop without major rules changes. Please refrain from major changes at this time. Second, we need to examine the " T " in JTPA. We need to be more creative in our use of longer-term technical training combined with OJT if we are going to have trainees making quantum leaps in skill and wage levels.

Thank you again for allowing me to express a few of my thoughts.

Senator **Quayle**. Thank you very much.

The final member of this panel is a substitute for Bobby Ogburn, Mr. John Bennett who is the treasurer of the Evansville Black Coalition.

Mr. **Bennett**. I am here speaking for Bobby Ogburn, Evansville Black Coalition, and I am also involved in three programs which are funded by the private industry council.

Presently, the coalition is operating three programs, the adult preemployment, high school dropout, and Exemplary Youth New Chance Program.

During the 15 years that the coalition has been in existence, we have come to realize that unemployed black males of households tend to become wife and children abusers almost seven times quicker than gainfully employed blacks. The same is true as it relates to divorce and separation. We are sure that you are aware of these statistics that have been compiled over the years regarding this topic, therefore, we would not spend valuable time repeating them.

However, I will call to your attention the JTPA legislation which restricts those heads of households from being served, providing that the household income is above a certain level.

We suggest to you that the legislation should be modified to permit the heads of households to become eligible to be served by JTPA in cases where the family income is below $20,000 annually, regardless of the number of people in a family.

As you are aware, a very high percentage of unemployed black, poor and disadvantaged heads of households leave their families in order that their families can become wards of the State. If the male is in the home, the family is ineligible to receive and/or Federal aid.

When the father has to move out of the home in order for the family to have a roof over their heads, to eat and be clothed, it severely damages or destroys the family unit. In many cases, that strong father or male image is lost to the children of that family.

Black and Hispanic youth between the ages of 12 through 21 are damaged by unemployment. Summer youth employment programs certainly are a great help to many of our youth; however, urban youth, 12 and 13 years old, have nothing to do with their time after school closes for the summer vacation.

In many instances, this is when this age group is recruited by older youth to sell drugs and enter into prostitution as a means of earning their living or money.

Upon returning to school in the fall, this newly recruited group of youth now become the drug pushers and users in their school.

In summary, unemployment of all age groups, races and ethnic groups is the root of most of the evil in our society. Unemployment is the foremost cause of demise of black families, crimes committed by other youth, drug abuse, prostitution, and a host of other illnesses that plague urban America.

How much longer can America afford to expand its law enforcement agencies in trying to attempt to reduce crime, to build bigger and more sophisticated jails to house the unemployed criminal, who really is no criminal at all—survivor, yes.

We urge this committee, in the strongest terms possible, to expand upon local flexibility and discretion. The Job Training Partnership Act is a success, but has the potential to be an even greater success.

We believe that under the guardianship of Senator Dan Quayle and Secretary of Labor, William Brock, that JTPA will continue to reach out to those of us who desperately need the services of JTPA.

For the first time in a very long time, we see leadership that is serious about bringing about the full employment for America. We wish each of you the best in the future.

[The prepared statement of Bobby Ogburn, as submitted by Mr. Bennett, follows:]

STATEMENT BY BOBBY OGBURN

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

ALTHOUGH YOU HAVE BEEN WELCOMED TO OUR COMMUNITY BY OTHERS, I, TOO, EXTEND TO YOU A VERY WARM WELCOME ON BEHALF OF THE EVANSVILLE BLACK COALITION, INC., OUR CLIENTS AND FRIENDS. I AM BOBBY OGBURN, SECRETARY/COORDINATOR AND EXECUTIVE DIRECTOR OF THE EVANSVILLE BLACK COALITION, INC. I AM A CHARTER MEMBER OF THE, NOW DEFUNCT, INDIANA PRIME SPONSOR'S COUNCIL, FORMED UNDER COMPREHENSIVE EMPLOYMENT AND TRAINING ACT (CETA). CONCURRENTLY, I SERVED ON THE LOCAL PRIME SPONSOR'S COUNCIL UNTIL THE REPLACEMENT LEGISLATION, PUBLIC LAW-97-300, JOBS TRAINING PARTNERSHIP ACT WAS SIGNED INTO LAW ON OCTOBER 13, 1982. I WAS THEN APPOINTED BY MAYOR MICHAEL D. VANDERVEER TO SERVE ON THE LOCAL PRIVATE INDUSTRY COUNCIL (PIC), OF WHICH I AM STILL A MEMBER. I HAVE BEEN INVOLVED WITH EMPLOYMENT AND TRAINING OF BLACK AND OTHER MINORITY GROUPS SINCE 1970. IN 1972, I BECAME THE DIRECTOR OF THE LOCAL OFFICE OF THE RECRUITMENT AND TRAINING PROGRAM (RTP) AND REMAINED IN THAT CAPACITY UNTIL RTP WAS PHASED OUT IN 1983. AT THAT TIME, THE COALITION BECAME A PROGRAM OPERATOR FUNDED THROUGH THE LOCAL PIC. PRESENTLY, THE COALITION IS THE OPERATOR OF THREE PROGRAMS. THEY ARE ADULT PRE-EMPLOYMENT, HIGH SCHOOL DROP-OUT AND EXEMPLARY YOUTH (NEW CHANCE).

THE AREAS THAT I WILL GIVE TESTIMONY TODAY ARE THE EFFECTS THAT UNEMPLOYMENT HAS ON BLACK MALE AND FEMALE HEADS OF HOUSEHOLDS, BLACK YOUTH AND UNEMPLOYMENT'S IMPACT ON VIOLENCE IN THE HOME AND STREET CRIMES AND THE EFFECTS OF JTPA ON THE AFOREMENTIONED TARGETED GROUPS. DURING THE FIFTEEN YEARS THAT THE COALITION HAS BEEN IN EXISTANCE WE HAVE COME TO RECOGNIZE THAT UNEMPLOYED BLACK MALE HEADS OF HOUSEHOLDS TEND TO BECOME WIFE AND CHILDREN ABUSERS ALMOST SEVEN TIMES QUICKER THAN GAINFULLY EMPLOYED BLACK HEADS OF HOUSEHOLDS. THE SAME IS TRUE AS IT RELATES TO INCREASE IN DIVORCES AND SEPARATIONS. I AM SURE THAT YOU ARE AWARE OF THE STAGGERING STATISTICS THAT HAVE BEEN COMPILED OVER THE YEARS REGARDING THIS TOPIC, THEREFORE; I WILL NOT EXPEND VALUABLE TIME REPEATING THEM. HOWEVER; I WILL CALL TO YOUR ATTENTION THE JTPA LEGISLATION WHICH RESTRICTS THOSE HEADS OF HOUSEHOLDS FROM BEING SERVED, PROVIDING THAT THE HOUSEHOLD INCOME IS ABOVE A CERTAIN LEVEL. I SUGGEST TO YOU THAT THE LEGISLATION SHOULD BE MODIFIED TO PERMIT THE HEADS OF HOUSEHOLDS TO BECOME ELIGIBLE TO BE SERVED BY JTPA IN CASES WHERE THE FAMILY INCOME IS BELOW $20,000 ANNUALLY, REGARDLESS OF THE NUMBER OF PEOPLE IN A FAMILY. I HAVE HEARD MANY, IF NOT MOST, OF THE ARGUMENTS AGAINST THIS KIND OF INCLUSION INTO THE LEGISLATION, BUT, AT THE SAME TIME, OUR PRESIDENT STRONGLY STRESSES THE NEED TO MAINTAIN A STRONG FAMILY UNIT AND A HEALTHY ENVIRONMENT IN WHICH OUR MOST PRICELESS PRODUCT, OUR CHILDREN, SHOULD BE NURTURED AND

CULTIVATED. I SUBMIT TO YOU THAT THIS WILL BE A POSITIVE BEGINNING TOWARD HELPING TO PRESERVE THE BLACK FAMILY UNIT.

AS YOU ARE AWARE, A VERY HIGH PERCENTAGE OF UNEMPLOYED BLACK, POOR AND DISADVANTAGED MALE HEADS OF HOUSEHOLDS LEAVE THEIR FAMILIES IN ORDER THAT THEIR FAMILIES CAN BECOME WARDS OF THE STATE. IF THE MALE IS IN THE HOME THE FAMILY IS INELIGIBLE TO RECEIVE STATE AND/OR FEDERAL AID. WHEN THE FATHER HAS TO MOVE OUT OF THE HOME IN ORDER FOR THE FAMILY TO HAVE A ROOF OVER THEIR HEADS, TO EAT AND BE CLOTHED, IT SEVERLY DAMAGES OR DESTROYS THE FAMILY UNIT. IN MANY, MANY CASES, THAT STRONG FATHER OR MALE IMAGE IS LOST TO THE CHILDREN OF THAT FAMILY. THE MOTHER MUST THEN BECOME, OR ATTEMPT TO BECOME, BOTH FATHER AND MOTHER. NEEDLESS TO SAY, A DIFFICULT TASK AT BEST AND IMPOSSIBLE IN MOST CASES, SIMPLY BECAUSE WE ARE DEALING WITH MOSTLY YOUNG PARENTS WHO ARE NOT EMOTIONALLY MATURE ENOUGH TO EFFECTIVELY ASSUME THE ROLE THAT HE OR SHE IS FORCED INTO, THEREBY CREATING A HOST OF OTHER PROBLEMS FOR THEM AND THEIR CHILDREN.

I SUSPECT, NONE OF YOU HAVE EVER BEEN THE RECIPIENTS OF A.D.C. OR WELFARE OR FOOD STAMPS, THEREFORE; YOU CANNOT KNOW OR UNDERSTAND THE LOSS OF PRIDE AND SELF RESPECT OR THE HUMILIATION THAT IS FELT BY THOSE MOTHERS WHO MUST STAND IN LINE FOR HOURS, WAITING FOR WHAT MANY PEOPLE TERM AS "FREE HAND-OUTS TO THE LAZY AND SHIFTLESS GOOD FOR NOTHINGS". THAT SAME CHARACTERIZATION IS NOT USED TO DESCRIBE BUSINESSES, INDUSTRIES AND FARMERS WHO RECEIVE LOW INTEREST BONDS, LOANS OR DIRECT SUBSIDIES TO FARMERS FOR LETTING THEIR FIELDS STAND UNPLANTED YEAR AFTER YEAR. I BELIEVE THAT IS CALLED ECONOMIC DEVELOPMENT AND FARM SUBSIDY, ETC. THE LAWMAKERS OF THIS NATION MUST RECOGNIZE THAT WELFARE, NO MATTER WHAT IT IS CALLED, IS STILL WELFARE AND THEREBY MAKES WARDS OF THE GOVERNMENT OF ALL OF THOSE WHO ARE RECIPIENTS OF THOSE FUNDS.

BLACK AND HISPANIC YOUTH BETWEEN THE AGES OF TWELVE (12) AND TWENTY-ONE (21) ARE IRREVOCABLY DAMAGED BY UNEMPLOYMENT. SUMMER YOUTH EMPLOYMENT PROGRAMS CERTAINLY ARE A GREAT HELP TO MANY OF OUR YOUTH. HOWEVER; URBAN TWELVE AND THIRTEEN YEAR OLD YOUTH STILL HAVE NOTHING TO DO WITH THEIR TIME AFTER SCHOOL CLOSES FOR SUMMER VACATION. IN MANY INSTANCES THIS IS WHEN THIS AGE GROUP IS RECRUITED BY OLDER YOUTH TO SELL DRUGS AND ENTER INTO PROSTITUTION AS A MEANS OF EARNING MONEY. UPON RETURNING TO SCHOOL IN THE FALL THIS NEWLY RECRUITED GROUP OF YOUTH NOW BECOME THE DRUG PUSHERS AND USERS ON THEIR RESPECTIVE CAMPUSES. THE CYCLE THEN REPEATS ITSELF OVER AND OVER. THESE PRECIOUS, PRICELESS PRODUCTS TOO OFTEN END UP IN JUVENILE COURT, IF THEY ARE LUCKY, AND EVEN WORSE IF THEY ARE AMONG THE UNLUCKY. BY THE TIME THIS AGE GROUP

IS ELIGIBLE TO PARTICIPATE IN SUMMER YOUTH EMPLOYMENT PROGRAMS, THEY ARE ALREADY INVOLVED IN USING DRUGS TO SOME EXTENT, SELLING DRUGS, STEALING MONEY FROM MOM'S PURSE, STEALING CARS, BURGLARY AND OTHER FORMS OF THEFT. AT THIS POINT THEY HAVE ESTABLISHED FOR THEMSELVES BARRIERS TO EMPLOYMENT, LABELED AS A PROBLEM CHILD BY TEACHERS AND COUNSELORS AND OFTEN REJECTED BY THEIR PARENTS. THE ONLY REAL AVENUE THAT IS VISIBLE IN THE EYES OF THE AFFECTED YOUTH IS TO BECOME MORE DEEPLY INVOLVED IN THE SAME ACTIVITY THAT GOT HIM/HER IN TROUBLE IN THE FIRST PLACE. THE END RESULT IS THAT WE HAVE YOUTH WHO HAVE LOST THEIR SELF RESPECT, AS WELL AS HAVING NO RESPECT FOR OTHERS. THEY BECOME STREET PEOPLE, SURVIVING BY ANY MEANS THEY DEEM NECESSARY. THESE ARE THE YOUTH THAT LESS PROBLEMED YOUTH AND ADULTS BECOME TARGETS OF. HENCE; MUGGINGS AND EVEN MORE VIOLENT CRIMES AND THE CYCLE BECOMES EVEN MORE SELF PERPETUATING. DID THE CHILD FAIL? I SAY, NO! THE SYSTEM FAILED. PARENTS FAILED AND THE COURTS ARE NOT ABLE TO SOLVE ALL OF THE PROBLEMS OF OUR DELINQUENT YOUTH.

IN SUMMARY, UNEMPLOYMENT OF ALL AGE GROUPS, RACES AND ETHNIC GROUPS IS THE ROOT OF MOST OF THE EVILS OF OUR SOCIETY. UNEMPLOYMENT IS THE FOREMOST CAUSE OF DISOLUTION OF BLACK FAMILIES, CRIMES COMMITTED BY OUR YOUTH, DRUG ABUSE, PROSTITUTION AND A HOST OF OTHER ILLS THAT PLAGUE URBAN AMERICA. I DID NOT JUST MAKE THAT ANALYSIS. STUDY AFTER STUDY HAS BEEN DONE BY THE MOST WIDELY RENOWNED SOCIOLOGIST AND PHYSIOLOGIST IN THIS COUNTRY DRAWING THE SAME CONCLUSION.

HOW MUCH LONGER CAN AMERICA AFFORD TO EXPAND IT'S LAW ENFORCEMENT AGENCIES IN A VAIN ATTEMPT TO REDUCE CRIME? TO BUILD BIGGER AND MORE SOPHISTICATED JAILS TO HOUSE THE UNEMPLOYED CRIMINAL, WHO REALLY IS NO CRIMINAL AT ALL - SURVIVOR, YES. CONTINUE TO BUILD MORE PRISONS FOR A EVER INCREASING PRISON POPULATION. OUR COURTS ARE BOGGED DOWN IN A BACKLOG OF CASES BY THESE YOUTHFUL OFFENDERS, WITH NO END IN SIGHT. YET; THIS NATION POSSESSES THE RESOURCES TO REMEDY UNEMPLOYMENT BUT WILL NOT. WHY? STUDIES CONDUCTED BY AND FOR LAW ENFORCEMENT AGENCIES HAVE DETERMINED TIME AND TIME AGAIN THAT MORE POLICEMEN DO NOT RESULT IN FEWER CRIMES BEING COMMITTED. THOSE STUDIES, HOWEVER, DO REFLECT THAT IN URBAN AREAS OF THE COUNTRY WHERE EMPLOYMENT IS THE HIGHEST AMONG BLACKS AND HISPANICS, THE CRIME RATE IN CERTAIN CATEGORIES SHOW A MARKEDLY DECREASE IN THE KIND OF CRIMES THAT I HAVE MENTIONED HERE.

AS I STATED AT THE BEGINNING OF MY PRESENTATION, THE JTPA IS A FINE BEGINNING. THIS "ACT" BRINGS TOGETHER ALL OF THE RIGHT ELEMENTS OF OUR SOCIETY TO SOLVE THIS DEPLORABLE PROBLEM - UNEMPLOYMENT. I URGE THIS COMMITTEE, THE CONGRESS AND THIS NATION NOT TO

BE AFRAID TO ACCEPT THE CHALLENGE TO GO ALL THE WAY IN SOLVING THIS PROBLEM OF UNEMPLOYMENT. LET THE LEADERSHIP OF THIS GREAT NATION BECOME AS DILIGENT IN SOLVING OUR UNEMPLOYMENT PROBLEM AS WE WERE WITH THE "NEW DEAL, PLACING A MAN ON THE MOON, CURING WHAT WAS ONCE CALLED INCURABLE DISEASES AND REBUILDING OUR ARMED FORCES".

THE TRUE ENEMY, FROM WITHIN THIS NATION, IS UNEMPLOYMENT. UNEMPLOYMENT DRAINS OFF OUR MONETARY RESOURCES IN SO MANY WAYS THAT THEY ARE TOO NUMEROUS TO ENUMERATE AT THIS TIME, BUT I WILL NAME JUST A FEW THAT ARE MOST OFTEN TARGETED BY THOSE AMONG US WHO NEED TO POINT A FINGER AT THE POOR. HOW MUCH DID THIS NATION SPEND ON UNEMPLOYMENT PAYMENTS OVER THE LAST YEAR, MEDICAL AID FOR THE FAMILIES ON A.D.C., RECIPIENTS OF FOOD STAMPS, RENT SUBSIDIES, SUBSITY FOR GAS AND ELECTRIC BILLS; JUST TO MENTION A FEW.

I AGAIN URGE THIS COMMITTEE, IN THE STRONGEST TERMS POSSIBLE, TO PRESERVE AND EXPAND UPON LOCAL FLEXIBILITY AND DISCRETION. JTPA IS A SUCCESS, BUT HAS THE POTENTIAL TO BE EVEN A GREATER SUCCESS. I BELIEVE THAT UNDER THE GUARDIANSHIP OF SENATOR DAN QUAYLE AND SECRETARY OF LABOR, WILLIAM E. BROCK, A FELLOW TENNESSEAN, THAT JTPA WILL CONTINUE TO REACH OUT TO THOSE OF US, ALL OF US, WHO DESPERATELY NEED THE SERVICES OF JTPA.

FOR THE FIRST TIME IN A VERY LONG TIME, I SEE LEADERSHIP THAT'S SERIOUS ABOUT BRINGING ABOUT FULL EMPLOYMENT FOR AMERICA. I WISH EACH OF YOU THE VERY BEST IN THE FUTURE. SENATOR QUAYLE, GOOD LUCK IN 1986.

June 21, 1985

Senator **Quayle**. Thank you very much, and we will continue to try to exercise that leadership to obtain the laudable goal of full employment.

I want to thank each member of this panel for a very valuable input. It's a little bit different perspective, but they are very important, and it's important to this committee that we hear from all aspects.

I can tell you that I consider the testimony interesting, and thank you very much for it.

Our final panel today is a panel of employers and trainees, Pat Abernathy, Brent Cardinal, Gary Johnson, and Annette Vincent.

We will conclude—we might tell this panel and anybody else that we're going to keep the hearing record open for additional testimony for approximately 2 weeks, if anybody wants to send additional testimony in writing, we will be glad to receive it, and I will also remind panel members that we will take their written testimony verbatim, and ask them to proceed for approximately 3 minutes.

First is Ms. Pat Abernathy, the chairwoman of Whirlpool Advisory Committee on Dislocated Workers Program.

Ms. Abernathy.

STATEMENT OF PAT ABERNATHY, CHAIRWOMAN, WHIRLPOOL ADVISORY COMMITTEE DISLOCATED WORKER, EVANSVILLE; BRENT CARDINAL, PRESIDENT, FISCHER CHAIR CO., TELL CITY; GARY JOHNSON, FORMER DISLOCATED WORKER, EVANSVILLE; AND ANNETTE VINCENT, EVANSVILLE, IN

Ms. **Abernathy**. Thank you.

I am a dislocated worker. I have been involved in the JTPA Program. This program isn't perfect, but it allows people to receive retraining with dignity.

During the past year, after being involved in the program as I have, two questions have continued to be received: Why haven't more dislocated workers taken part in the program, and why haven't exceptions been made for this group of people?

The answer to No. 1, I think more dislocated workers haven't participated because they haven't accepted the fact that their job is gone.

In answer to No. 2, I feel that the program has been adjusted to meet the needs of this group of people due to a Federal regulation.

Before 1985, all that I knew about Government programs was what I read in newspapers. It's always been my feeling that individuals could arrange funds and programs better than governmental agencies.

Now I know it requires many people with special skills to help the unemployed people with Government regulations. One might think that a person without a job has little to do; that isn't true.

When one examines the statistics which includes millions of dollars and thousands of people, it comes down to the individual. We are each individuals. First, we have to accept that being out of work was creating jobs for other people.

Then we explored and asked questions regarding how we could get the most from this program. This program allows us to realize our potential and improve the quality of our lives.

My husband and I have a combination of 58 years in the work force. We have never been eligible for any program. We do feel that the taxes we have paid have helped fund other programs.

As dislocated workers, we know we can learn and adapt to new environments. We also want the chance to become employed, as we all need jobs for our survival and our emotional well-being.

For the past year, I have watched the employment center change from empty shelves to a beehive of activity. The faculty and staff have learned from us, just as we have learned from them.

In order to help us, they have had to know us. That's one thing about the partnership I don't understand, talking about the employers, the PIC and you haven't talked about the people. It's for the people, but we have no input, is the way I understand it.

Many people criticize, as they always will, that they offer no constructive changes or opportunities. This is a new program that has developed gradually, and I'm sure it will be ever changing.

I hope that retraining will always be part of this program, because it is a special opportunity that is not available to many people in any walk of life.

I would also like to recommend that this program have an advisory council from the dislocated workers or laid-off workers, or even the young people that are going into the program because we need communication.

Thank you.

Senator QUAYLE. Thank you very much, Ms. Abernathy.

Next is Mr. Brent Cardinal, the president of Fischer Chair in Cannelton and Tell City.

Mr. Cardinal.

Mr. CARDINAL. Thank you.

Fischer Chair Co. is a furniture manufacturer with plants in Tell City and Cannelton, IN. Fischer Chair Co. is family-owned and has been in business since 1963.

Two years ago we were operating in a building, the central part of which was 105 years old, and we had 55 employees, and no room for growth or expansion.

Due to a substantial volume of new business, we needed additional space and additional employees; and, as in many businesses, particularly small businesses such as ours, we had limited capital for expansion and growth.

Through a building program, consisting of the renovation of an older building, a second plant was put in operation in Cannelton, IN, and we now have 110 full-time employees.

Of those additional new employees, 38 were hired under the job training program, beginning in the latter part of 1983. Of those original 38, 26 are still employed by Fischer Chair Co. Eight of them left for other employment, one left for medical reasons, and three left for other reasons. In other words, of the original 38 people, 34 are still in the work force in our area, 26 of whom are still with us.

We have been very pleased with the experience that we have had with the program over the past couple of years.

The assistance provided by the program created jobs for some of these people that might not otherwise have been there, and enabled us to maximize our limited capital in our expansion to create more employment than we would otherwise have been able to do.

Thank you.

Senator QUAYLE. Thank you very much.

Next is Mr. Gary Johnson, a former dislocated worker who is now employed at the Whirlpool Corporation.

Mr. Johnson.

Mr. JOHNSON. I'm fully aware there are some people who have problems, but the problems and the majority of complaints are not about JTPA; the problems have to do with the reemployment center and how things are administered.

Every time someone voices a complaint about the reemployment center, the center's primary defensive response sounds basically like this: "They are frustrated from having lost their jobs, and they are taking those frustrations out on us. Don't worry; we can handle the flak. Those people need us."

On the surface, that is a very noble attitude, but it can just as easily be used as an effective cover for the very reason of it sounding so noble.

There are people who are angry, there are people who have been angry, and there are people who feel abused by the reemployment center.

People have not had a proper outlet to voice their complaints. The Advisory Council appointed in September 1984 by local 808 has had so little input that it fizzled out of existence by April of this year.

If a person has a complaint about John Doe, it does little good for that person to complain to John Doe if all John Doe is going to do is dismiss the problem or deny it. And so people have gone to the press. People have assembled; people have petitioned, and people continue to discuss certain sour experiences with one another.

It is true that not everyone, myself included, feels personally abused by the reemployment center, but there are enough people upset to warrant an impartial investigation.

When I am finished with the following proposal, I would like to present you, Senator Quayle, with a packet containing a copy of the proposal and written testimonials.

[The material referred to was retained in the files of the committee.]

Our proposal to you, Senator Quayle, is that you investigate the reemployment center, and that in doing so you bring in two people who are not affiliated with the local Private Industry Council to serve as impartial investigators.

One person should spend 2 weeks at IVY Tech, talking to students, and should have a list of people who have had former association with the reemployment center for purposes of investigation.

The second person should spend 2 weeks at the reemployment center talking to employees, and should have a list of former employees for the purpose of investigation.

While in Evansville, the two investigators should compare notes, but only with one another and not with PIC officials. At the end of the investigative period, the investigators should report their findings directly to you and/or your staff for evaluations and recommendations.

The bottom line is, we all want the reemployment center and JTPA to operate as effectively, fairly, and as courteously as possible.

Thank you.

Senator QUAYLE. Thank you very much, Mr. Johnson.

The final witness is Annette Vincent.

Ms. Vincent.

Ms. VINCENT. I was a participant at the WIN Program for a long time, and I was having a problem finding a job on my own, so the people at WIN referred me to the people at PIC.

I went to a 4-week training program, classes at PIC, and they sent me—or they helped me to learn how to talk to employers and be more self-confident when it came to looking for a job.

They sent me to job placement there at PIC, and they sent me on just a few interviews, and I was hired by one of the first employers that I talked to. Now, things are—since I went to PIC, they really helped me out a lot as far as my work and everything.

I am happy where I'm at, and I've been there, I guess, about 11 weeks now and I plan to stay there. So they really helped me out as far as looking for a job.

Thank you.

Senator QUAYLE. Well, congratulations to you, and good luck. We are always looking for success stories, and where people that actually received the training and get into a job, and you can usually tell because they are smiling—and I see you are smiling here today, so I wish you the best of luck.

I thank the panel very much for their testimony. I think it is important that we allow the people who want to testify to testify, particularly those that are direct participants and recipients of the system, those that are part of the system.

I think we've had a rather diverse group here today. I can tell you, we've had a number of witnesses, both in Evansville and Indianapolis, and we will be on to other cities.

I want to thank this panel and all the participants here today for coming out and testifying.

[Additional material supplied follows:]

VINCENNES UNIVERSITY JASPER CENTER
HWY 162 SOUTH • R.R. #4, BOX 710 • JASPER, INDIANA 47546 • TELEPHONE: (812) 482-3030

July 5, 1985

JUL 08 1985

Senator Dan Quayle
State Field Office
46 East Ohio St.
Indianapolis, Indiana 46204

Dear Senator Quayle;

Enclosed is written testimony I hope you will take into account during your investigation into the effectiveness of the Jobs Training and Partnership Act.

I have chosen to write to you instead of presenting my testimony in public hearings because I feel both your purposes and mine will be better served in this way. You need carefully thought out opinions which can be examined carefully. I need to be able to continue to work effectively with several different constituencies. While my opinions are sincere and well known, I fear critical public testimony may threaten others needlessly.

In no way should my testimony be construed to be an attack on any individual's performance or actions. Neither do I think any of the shortcomings of JTPA as practiced in Indiana are the result of purposeful abuse by any persons or agencies.

If I can shed any further light on my dealings with JTPA or answer any questions you or your staff may have, please feel free to call me any time.

Sincerely,

Bryan B. Gregory

Bryan B. Gregory
ABE Coordinator

INTRODUCTION

In the spring of 1983 Vincennes University Jasper Center faced a unique situation with the advent of the Jobs Training and Partnership Act (JTPA). Our Adult Basic Education program served a nine county area of rural southern Indiana. Our ABE/CETA program had served several counties in two different balance of state areas but had been funded at the State level. Our program area would contain parts for four separate JTPA service delivery areas (SDAs). Our program had served none of the larger or central counties in any of the new SDAs and would not serve a majority of counties in any of them.

With the autonomy of operations granted the local SDAs and the elimination of State level funding, it would be necessary for us to work out funding arrangements with each of the local agencies.

We launched the VUJC LINKS Project to smooth the transition from CETA to JTPA. We hoped to secure funding to continue operating classes in many localities. We hoped JTPA agencies would refer clients to our classes.

Our objectives were to make informative presentations to the four Private Industry Councils, and to forge cooperative relationships with the JTPA agencies.

THE VUJC LINKS PROJECT

Even before the LINKS project started the ABE staff started to gather information about people and organizations which would be involved in the new JTPA programs. Through contacts with former CETA agencies, the Department of Public Instruction, CAP agencies and local elected officials we were able to compile a partial list.

Contacts were made in each SDA as soon as geographic territories were determined. Our initial contacts were by telephone and letter. We explained our project, presented a brief history of the VUJC ABE and ABE/CETA programs and indicated our intentions to continue service to JTPA clients in portions of each SDA. We asked to be included in planning and to be allowed to present applications for funding to each PIC.

In only two SDAs were we allowed to present formal proposals for funding and address our concerns for services. In one other we were allowed to submit application on an old CETA form but were never notified that it had been received by the PIC or that any action was taken. In the remaining SDA, we were never able to contact anyone who could tell us what the PIC's intentions were or how we might go about forming cooperative relationships.

I met with representatives of the Shawnee Trace and Hoosier Falls PICs on several occasions. Many of these meetings were to work out refinements to our proposals and to determine the PIC's feelings concerning the need for ABE/GED services.

We presented information and proposals to the Shawnee Trace and Hoosier Falls SDAs. Proposals were rewritten and plans reworked toward PIC specifications in both of these SDAs on several occasions. A proposal was also presented to the Evansville area SDA.

As time for start of transition program activities neared and it became evident that most if not all the local PICs would not be funding ABE/GED programs and had little intentions of making use of existing programs in any organized way, I alerted State level officials of the apparent breakdown in the JTPA Coordination Plan.

RESULTS

Our efforts with JTPA agencies resulted in virtually no tangible results. In no instance were we able to generate JTPA funding for our classes. At the end of our project we had not been able to form any meaningful cooperative relationships with any of the JTPA agencies.

We had expected the new JTPA agencies to understand the importance of developmental education to job training efforts and to support our efforts. We felt our record of success in ABE/GED preparation would be well received by the various PICs. In fact, those who responded at all, indicated that we had done a good job of meeting these needs in the past. The VUJC ABE program drew high praise from the CETA agencies with which we had dealt.

However it became apparent very early on that the PICs regarded remedial education as the concern of some other agency. They also indicated that they felt they would not be able to meet Department of Labor performance standards if they admitted lower-level-achieving clients to their programs. Coupled with drastically reduced funding, compared to old CETA programs, available in local areas, these factors served to make the PICs disinclined to become involved in ABE programs.

To date we have been unable to form any satisfactory cooperative ventures with any of the SDAs. Despite demonstrated need in each area, and assurances contained in Indiana's Coordination Criteria not withstanding, **each local PIC has chosen to ignore any responsibility for basic skills remediation.**

CONCLUSIONS

The early stages of JTPA did not provide for an orderly transition from the old CETA programs. In many instances the same people who operated CETA programs managed to remain with the agencies who took over administration of JTPA. However, they found themselves surrounded by vague and contradictory guidelines and unrealistic performance standards.

Virtually no time was available to orient PIC members to jobs training programs. Yet they were charged with quickly formulating programs with which they were almost totally unfamiliar.

Guidance, leadership and interpretation of rules was not forthcoming from State level agencies. Contradictory rulings and unfounded opinions were about all that was available from any State officials. Misinformation about various aspects of the State JTPA effort created false expectations for many PIC members and SDA officials.

From my perspective JTPA suffers from some serious but curable defects.

First, those who operate and oversee JTPA must be made aware of the need for basic skills instruction as a foundation for other types of vocational training. A very high proportion of the economically disadvantaged lack basic literacy and computational skills. These critical shortcomings must be remedied before other job skills will be useful.

Secondly, the individual nature of basic skills deficiencies means that remediation programs require varying lengths of time for individual students. Many require comparatively lengthy class times. Others can be helped relatively quickly.

Third, performance standards which do not take into account the individual and basic skills needs of students force the JTPA program into unrealistic expectations and counterproductive practices.

For example, if we know that lower-level achieving students will take a relatively lengthy time to complete a successful program, we will exclude them from participation in favor of the more capable applicant simply because our numbers will be better in the end. Under this scenario, which will be confirmed by virtually every JTPA counselor, the least capable and therefore most in need, will be the last to be served, if they are ever served at all.

Fourth, we must take into account the nature of the population JTPA was intended to serve. Even if we can somehow ignore the very least capable, there remains an enormous proportion of the unemployed who have not acquired the basic literacy necessary to function adequately in the modern labor market. As the work area changes and retraining becomes necessary those who have not learned how to learn will be left behind again. If we hope to provide any long-term benefits to workers and employers through JTPA we must focus not only on the immediate needs of the marketplace but also on preparing people to meet the challenges which will require new learning in the future.

RECOMMENDATIONS

JTPA can be modified to provide more effective and realistic benefits to those it is intended to serve.

Department of Labor performance standards should be calculated to take into account the basic skills needs of the unemployed and realistic time frames for remediation.

Alternatively, performance standards could set by local PICs with input from community agencies and local educators.

Testing to determine academic achievement levels should **not be used to screen potential clients out** of JTPA programs.

JTPA staff should be trained to recognize basic skills deficiency in their clients and be required to refer them to effective remediation services.

State level oversight agencies should be trained in methods to insure compliance with regulations and be given the power to enforce coordination with between service agencies.

Senator QUAYLE. With that, the committee is adjourned.

[Whereupon, at 5:01 p. m., the hearing was concluded.]

OVERSIGHT ON THE JOB TRAINING PARTNERSHIP ACT, 1985

TUESDAY, JULY 2, 1985

U.S. SENATE,
SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY,
COMMITTEE ON LABOR AND HUMAN RESOURCES,
South Bend, IN.

The subcommittee met, pursuant to notice, at 8:31 a.m., in the first floor courtroom, U.S. Courthouse, South Bend, IN, Senator Dan Quayle (chairman of the subcommittee) presiding.

Present: Senator Quayle.

OPENING STATEMENT OF SENATOR QUAYLE

Senator QUAYLE. The hearings will come to order. This is our second day of hearings that we are having around the State concerning the implementation of the Job Training Partnership Act. We were in Indianapolis and Evansville yesterday and we will be in South Bend and Gary today.

The intent of the hearings is to observe and to try to get as much testimony as we possibly can, on how the implementation of JTPA in fact is working.

Yesterday was the first anniversary of JTPA. The first program year is now concluded, we're on our second year. We are presently serving thousands of people in Indiana, but I think it would behoove all of us, that once this legislation is passed, not to just sort of sit back and say that the job is completed, but to go out and to seek testimony, to seek comments, to try to find out what the good aspects of the program are; perhaps some of the corrections, amendments, et cetera, that the program should be. So therefore, we are going to have a series of six hearings and try to get a better understanding, at least get a feel for what kind of a job this program in fact is doing.

As the sponsor of this legislation in the Congress, I do not feel our job is concluded by just passing the law and having it signed by the President. I think we really have to continue to get down to the nitty-gritty, get out and talk to the people that are recipients of the program, talk to the people that are operating the program, that work the program, to get their comments. We have a number of panels today. We have four panels. We will start with the first panel which is a panel of representatives from the local public-private partnership. Mr. Curtis Brown, Mayor Max Chiddister, Mayor Bob Beutter, and Mr. Michael Hammes. If you would come forward, please.

I believe we will go ahead and start with the mayor of Goshen, the Honorable Max Chiddister. We are delighted to have you over here this morning and look forward to your testimony, and go ahead and proceed at your pleasure.

STATEMENT OF MAX R. CHIDDISTER, MAYOR, GOSHEN, IN; CURTIS A. BROWN, CHAIRMAN, PRIVATE INDUSTRY COUNCIL, ELKHART, IN; ROBERT C. BEUTTER, MAYOR, MISHAWAKA, IN; AND MICHAEL J. HAMMES, CHAIRMAN, PRIVATE INDUSTRY COUNCIL, SOUTH BEND, IN

Mayor **Chiddister**. Thank you, Senator. I really thought Curtis would be here to lead things off, and then I could merely echo his feelings on it because he is more of a technician than what the mayors are, the local elected officials, but we can comment on a few things that pertains to JTPA.

One thing, in working as a mayor, we work with legislation a lot, we adopt a lot of local legislation, and one of the things we find is that we sometimes think that we are going to get some legislation passed, and then we will come back the next year, or 2 years later, and repair it.

In this particular case, with the legislation, we feel that we are pretty much satisfied with the legislation. We are not so sure that new amendments have to be adopted by Congress to make any changes. We feel that perhaps a year or two should be given, longer, on this particular piece of legislation, just to make sure that all the bugs are worked out of it, and that it is functioning. So, at this particular time, we feel the legislation is good, and that there should not be any major changes.

Funding levels we feel should be at the 1984 and not the 1985 level, and that also, that the funding should be consistent year after year. One thing we can talk about, like I say, outside of the technician area, is that we view JTPA as working very well. We think it works even better than CETA, and there has been a very good cooperation between the private and the public sector, and we have even picked up on a few things that, as they work together in a businesslike manner, the public sector has adopted the private sector approach of marketing their projects, and we feel that that is very beneficial.

We feel that it benefits both the community and the business. Businesses seem to locate in the area, local people are employed, taxes are generated for State, local, and Federal levels, and the intent of the legislation created the need for a number of social agencies to work together as well, and we believe that that is functioning as well, and dislocated workers, and those unemployed are now served by the job service, and Job Training Partnership Act organization. Thank you.

Senator **Quayle**. Thank you very much, mayor. We will go over, I think and get the PIC chairman, the executive vice president of the St. Joseph Bank Corp., Mr. Michael Hammes.

Mr. **Hammes**. Thank you.

Senator **Quayle**. Mr. Hammes, go ahead and proceed.

Mr. **Hammes**. Thank you very much. I am pleased to have the opportunity to comment on the JTPA program and its operation in

St. Joseph County. It is my opinion that the program is working as it was intended to and it is getting better every day. Our local program exceeds the benchmarks in every category.

The performance goals we have set have been exceeded quite substantially in every category, and there is no doubt in my mind that the oversight provided by the private industry council is largely responsible for reshaping the philosophy of the JTPA program and creating a results-oriented strategy.

As I analyzed the program to determine how it could be improved, my observations seemed to center on what I perceived to be a short-term focus by those who were making administrative decisions on a Federal and State level. The program is admittedly in a trial period but this short-term focus can be detrimental.

The most immediate example we have seen on this short term of specific program focus came to our attention during a recently submitted grant application for dislocated worker reserve funds.

The Bendix Chassis and Brake Components Division recently announced the phasing out of manufacturing operations, and the layoff of as many as 1,300 employees. We requested a $1.8 million grant to supplement $1 million set aside by Bendix and organized a coordinated and comprehensive training and reemployment program for these employees.

I see a risk, or even a likelihood, that the specific purpose approach to these funds could result in numerous dislocated worker programs in a community, each dedicated to a specific situation, and it would create the duplication that the JTPA is seeking to avoid.

There has been an economic revolution for several years now, and especially in the Midwest, we have seen a shift to high-technology service industries, and telecommunication industries, and away from what we have relied on for many years, and I see the shift continuing for some time to come.

Whether or not St. Joseph County maintains its employment levels, I believe the phenomenon of a dislocated worker situation is going to continue.

Our efforts with the Bendix program are to capitalize on resources that they provided, including consulting services over and above the $1 million that they set aside, and create a community-wide dislocated worker effort, which although dedicated primarily to Bendix workers at its inception, would not phase out after the 2-year grant period, but would somehow be perpetuated to serve the long-term need of the community.

Presently, it requires a significant specific situation to give basis for a grant request of this size, and these situations we seek not to repeat.

Even without another development of this magnitude, our dislocated worker problem will persist. But the funds may not be available to support the program we have invested so much in.

It is my sincere belief that the concepts of JTPA are valid, and that the private industry council can provide a much needed perspective and it is my hope that the hearings result in the same conclusion.

And if indeed the trial period proves successful, that a long-term focus and philosophy can be developed. Thank you.

[The prepared statement of Mr. Hammes follows:]

TESTIMONY OF

MICHAEL J. HAMMES
EXECUTIVE VICE PRESIDENT

ST. JOSEPH BANK AND TRUST COMPANY
SOUTH BEND, INDIANA

PRESIDENT, ST. JOSEPH COUNTY
PRIVATE INDUSTRY COUNCIL

JULY 2, 1985

CONGRESSIONAL OVERSIGHT ON THE JOB TRAINING PARTNERSHIP ACT

BEFORE SENATOR DAN QUAYLE
CHAIRMAN OF THE SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY
FOR THE LABOR AND HUMAN RESOURCES COMMITTEE

SENATOR QUAYLE (AND MEMBERS OF THE SUBCOMMITTEE), MY NAME IS MICHAEL J. HAMMES AND I AM EXECUTIVE VICE PRESIDENT OF THE ST. JOSEPH BANK AND TRUST COMPANY OF SOUTH BEND AND PRESIDENT OF THE ST. JOSEPH COUNTY PRIVATE INDUSTRY COUNCIL.

I AM PLEASED TO HAVE THE OPPORTUNITY TO COMMENT ON THE JTPA PROGRAM AND ITS OPERATION IN ST. JOSEPH COUNTY.

I WAS ASKED IN THE SUMMER OF 1983 TO SERVE ON THE PRIVATE INDUSTRY COUNCIL, AND ACCEPTED THE INVITATION BECAUSE IT WAS APPARENT THAT CONGRESS HAD LISTENED TO THE CRITICISM OF THE BUSINESS COMMUNITY LONG ENOUGH AND, IN EFFECT, WAS CHALLENGING BUSINESS, PRIVATE INDUSTRY, TO DO MORE THAN CRITICIZE THE INEFFICIENCIES OF THE CETA PROGRAM BUT RATHER TAKE ON SOME RESPONSIBILITY FOR CREATING A MORE EFFECTIVE AND PRODUCTIVE EFFORT. I FELT OBLIGED TO GET INVOLVED. ON OCTOBER 1, 1984 I WAS ASKED TO SERVE AS PRESIDENT.

FROM MY EXPERIENCE DURING THIS BRIEF PERIOD, IT IS MY OPINION THAT THE ST. JOSEPH COUNTY JOB TRAINING PROGRAM IS FUNCTIONING AS IT WAS INTENDED TO AND THAT THE PROGRAM IS GETTING BETTER EVERY DAY. ALTHOUGH EXPENDITURES IN OUR LOCAL PROGRAM HAVE DECLINED 50% FROM THOSE AVAILABLE UNDER CETA. PLACEMENTS HAVE INCREASED 13% AND THE COST PER PLACEMENT HAS BEEN REDUCED FROM $6,500 TO $2,800 WHICH MAY BE AN OPTIMUM LEVEL. FURTHER REDUCTION COULD SUGGEST INADEQUATE TRAINING AND REDUCE THE LIKELIHOOD OF LONG TERM EMPLOYMENT.

THE LOCAL JTPA PROGRAM EXCEEDS PERFORMANCE STANDARDS IN ALL CATEGORIES. THESE PERFORMANCE STANDARDS ARE LARGELY RESPONSIBLE FOR THE SUCCESS OF JTPA. WITHOUT A BASIS FOR COMPARISON AND MEASUREMENT, THERE CAN BE NO ACCOUNTABILITY AND IT IS THE PROGRAM'S ACCOUNTABILITY TO THE PRIVATE INDUSTRY COUNCIL TO PRESCRIBED BENCHMARKS AND BUDGETS THAT SERVES TO ENHANCE PRODUCTIVITY AND CONTROL EXPENSES.

THE DOLLARS SPENT ON TRAINING THE DISADVANTAGED AND THE DISLOCATED ARE INVESTMENTS WHICH GENERATE AN ECONOMIC RETURN TO THE EMPLOYER, THE EMPLOYEE AND THE COMMUNITY . THE PIC IS ACUTELY AWARE THAT TO REDUCE THE COST PER PLACEMENT BY ONE HALF ALLOWS TWICE THE NUMBER OF CLIENTS TO BE SERVED. THE RETURN ON INVESTMENT DOUBLES.

THERE IS NO DOUBT IN MY MIND THAT THE OVERSIGHT AND INVOLVEMENT OF THE PIC IN THE LOCAL JTPA PROGRAM IS LARGELY RESPONSIBLE FOR RE-SHAPING ITS PHILOSOPHY AND THE DEVELOPMENT OF A RESULTS ORIENTED STRATEGY. OUR MEMBERS ARE OF DIVERSIFIED INTERESTS AND ARE INVOLVED, AND THEY ARE AVAILABLE TO THE JTPA STAFF.

AS I ANALYZED THE PROGRAM TO DETERMINE HOW IT COULD BE IMPROVED, MY OBSERVATIONS CENTERED ON WHAT I PERCEIVE TO BE A SHORT TERM FOCUS BY THOSE WHO ARE MAKING ADMINISTRATIVE DECISIONS ON A FEDERAL OR STATE LEVEL. THE JTPA IS AN UNUSUAL PROGRAM WITH PRIVATE INDUSTRY ADMINISTERING A FEDERAL PROGRAM AND IT TAKES A LITTLE TIME TO GET IT UP AND RUNNING. IT DIDN'T GET A FRESH START, IT WAS BIASED BY THE PREVIOUS ACTIVITIES OF THE CETA PROGRAM AND THERE WAS A RELUCTANCE ON THE PART OF BUSINESS AND INDUSTRY TO READILY EMBRACE IT. THE PROGRAM IS ADMITTEDLY IN A TRIAL PERIOD BUT THIS SHORT TERM FOCUS CAN BE DETRIMENTAL.

I WOULD LIKE TO PROVIDE A FEW EXAMPLES OF THIS SHORT TERM FOCUS AND ENCOURAGE A LONG RANGE APPROACH TO PROBLEMS WHICH WILL ALWAYS EXIST AND TO A PROGRAM WHICH APPEARS AT THIS JUNCTURE TO BE WORKING.

FIRST, THERE HAVE BEEN DISCUSSIONS OF A REDUCTION IN FUTURE FUNDING FOR JTPA PROGRAMS BECAUSE 1984 PROGRAM FUNDS WERE UNSPENT. THIS SPENDING SHORTFALL SHOULD NOT BE INTERPRETED AS A LACK OF NEED

FOR EMPLOYMENT AND TRAINING SERVICES NOR THE INABILITY OF LOCAL SDA'S TO ADMINISTER A MEANINGFUL PROGRAM. RATHER, IT MAY BE INDICATIVE OF THE START-UP TIME NECESSARY TO ALLOW THE PRIVATE INDUSTRY COUNCILS TO REORIENT THE JTPA PROGRAMS OVER WHICH THEY NOW HAVE SIGNIFICANT INFLUENCE. THIS HAS BEEN TOO SHORT A PERIOD TO CAUSE ANY SIGNIFICANT CUTBACKS UNLESS THEY ARE RELATED TO OVERALL FEDERAL BUDGET CONSIDERATIONS AND NOT JTPA EXPERIENCES. IF 1984 FUNDING IS NOT SPENT, CAN IT NOT BE RESERVED FOR FUTURE NEEDS AND IF THEN UNSPENT EITHER BE USED TO REDUCE FUTURE FEDERAL BUDGETS OR BE AVAILABLE FOR ALLOCATION TO OTHER EFFORTS.

SECONDLY, WHILE EACH YEAR'S FEDERAL TO STATE ALLOTMENT PERCENTAGE IS SUBJECT TO A 90 PER CENT HOLD-HARMLESS PROVISION, LEGISLATION DOES NOT PERMIT A SIMILAR HOLD-HARMLESS PROVISION FOR THE STATE IN ISSUING SERVICE DELIVERY AREA ALLOCATIONS. THE STATE IS MANDATED TO USE A THREE-PART FORMULA FOR DISTRIBUTING TITLE IIA FUNDS TO SERVICE DELIVERY AREAS.

COMBINING THE NORMAL BUSINESS CYCLES WITH THE INHERENT LAG TIME OF THE THREE PART FORMULA MAY WELL RESULT IN REDUCTIONS IN FUNDING WHEN IT IS MOST CRITICALLY NEEDED. THIS VOLATILITY IN FUNDING CREATES INEFFICIENCIES AND UNCERTAINTIES IN LOCAL PROGRAMS, DISRUPTING EFFORTS TO MAINTAIN QUALIFIED STAFF AND CREATING UNNECESSARY ADMINISTRATIVE COSTS TO RESTART CURTAILED ACTIVITIES.

PERHAPS A FORMULA OVER A LONGER TERM WOULD PREVENT THE VOLATILITY CAUSED BY BUSINESS CYCLES AND PROVIDE GREATER LOCAL STABILITY. THIS AGAIN IS MEANT TO PROVIDE THE AVAILABILITY OF FUNDS IF THEY'RE WARRANTED NOT THE ALLOCATION TO INEFFECTIVE PROGRAMS.

THE MOST IMMEDIATE EXAMPLE OF A SHORT TERM OR SPECIFIC PURPOSE FOCUS CAME TO OUR ATTENTION DURING THE PROCESS OF PREPARING

FOR A RECENTLY SUBMITTED GRANT APPLICATION FROM THE ST. JOSEPH COUNTY JTP TO THE DEPARTMENT OF LABOR FOR DISLOCATED WORKER RESERVE FUNDS.

THE ST. JOSEPH COUNTY JTP HAS HISTORICALLY NOT BEEN INVOLVED IN DISLOCATED WORKER PROGRAMS BUT PURSUANT TO RECENT PLANT CLOSINGS AND CUTBACKS IN OUR AREA, THE PRIVATE INDUSTRY COUNCIL ESTABLISHED A TASK FORCE TO STUDY THE ISSUE. SHORTLY THEREAFTER THE BENDIX CHASSIS AND BRAKE COMPONENTS DIVISION ANNOUNCED THE PHASING OUT OF MANUFACTURING OPERATIONS AND THE EVENTUAL LAY OFF OF AN ESTIMATED 1,300 EMPLOYEES. ST. JOSEPH COUNTY, LIKE MUCH OF THE MIDWEST HAD BEEN SUBJECT TO PERIODIC PLANT RELOCATIONS BUT THE SEVERITY OF THE BENDIX SITUATION TRIGGERED COMMUNITY-WIDE CONCERN. THE MAYOR ESTABLISHED AN ADVISORY GROUP AND NUMEROUS LOCAL AGENCIES SOUGHT TO PROVIDE ASSISTANCE.

THE PIC SPENT SEVERAL MONTHS DEVELOPING AN APPROACH TO THE PROBLEM, WHICH UNDER TITLE III WAS CLEARLY A PART OF ITS RESPONSIBILITIES,AND, IN ACCORDANCE WITH THE JTPA WAS COORDINATED WITH OTHER EFFORTS IN THE COMMUNITY AND AVOIDED DUPLICATION OF SERVICES AND THE RESULTANT ADDITIONAL COST.

THE $1.8 MILLION GRANT APPLICATION WHICH CAME FROM THIS PROCESS IS AN OUTSTANDING EXAMPLE OF THE INFLUENCE THE PRIVATE INDUSTRY COUNCIL WAS EXPECTED TO BRING TO BARE ON SITUATIONS LIKE THIS AND THE COORDINATION THAT IS POSSIBLE WITH BOTH SOCIAL AGENCIES AND THE BUSINESS COMMUNITY.

THE $1.8 MILLION GRANT, IF APPROVED, WILL BE SUPPLEMENTED BY AN ADDITIONAL $1.0 MILLION FROM THE BENDIX CORPORATION TO PROVIDED FOR A COORDINATED AND COMPREHENSIVE TRAINING AND RE-EMPLOYMENT PROGRAM FOR BENDIX EMPLOYEES AS WELL AS NON BENDIX EMPLOYEES AFFECTED BY THE

SHUTDOWN.

THERE IS A RISK OR EVEN A LIKELIHOOD THAT THE SHORT TERM OR SPECIFIC PURPOSE FOCUS COULD RESULT IN NUMEROUS DISLOCATED WORKER PROGRAMS IN A COMMUNITY, EACH DEDICATED TO A GIVEN SITUATION LIKE THE ONE AT BENDIX AND COVERING ONLY THE TERM OF THAT SITUATION. THIS IS THE DUPLICATION THAT JTPA SOUGHT TO AVOID.

THERE HAS BEEN AN ECONOMIC REVOLUTION FOR SEVERAL YEARS NOW AS HIGH TECH, TELECOMMUNICATION AND SERVICE INDUSTRIES HAVE PREDOMINATED WHILE TRADITIONAL SMOKE STACK INDUSTRIES HAVE BEEN PHASED OUT. THE MIDWEST AND ST. JOSEPH COUNTY ARE ADJUSTING TO THIS REVOLUTION. BUT EVEN IF ST. JOSEPH COUNTY CAN MAINTAIN OR INCREASE ITS EMPLOYMENT, THE NEW JOBS WILL BE DIFFERENT THAN THE OLD AND THERE WILL CONTINUE TO BE A DISLOCATED WORKER PHENOMENON FOR SOME TIME TO COME.

OUR EFFORTS WITH THE BENDIX PROGRAM WERE TO CAPITALIZE ON THE RESOURCES WHICH BENDIX PROVIDES, INCLUDING CONSULTING SERVICES OVER AND ABOVE THE $1.0 MILLION SET ASIDE, BY CREATING A COMMUNITY-WIDE DISLOCATED WORKER EFFORT WHICH ALTHOUGH DEDICATED PRIMARILY TO BENDIX WORKERS AT INCEPTION, WOULD NOT PHASE OUR AFTER THE TWO YEAR GRANT PERIOD BUT WOULD SOMEHOW BE PERPETUATED TO SERVE A LONG TERM NEED. PRESENTLY IT REQUIRES A SIGNIFICANT SPECIFIC SITUATION TO GIVE BASIS FOR A GRANT REQUEST OF THIS SIZE, A SITUATION WE HOPE NOT TO REPEAT. EVEN WITHOUT ANOTHER DEVELOPMENT OF THIS MAGNITUDE, OUR DISLOCATED WORKER PROBLEM WILL PERSIST, BUT THE FUNDS MAY NOT BE AVAILABLE TO SUPPORT THE PROGRAM WE HAVE INVESTED SO MUCH IN.

IT IS MY SINCERE BELIEF THAT THE CONCEPTS OF THE JTPA ARE VALID, THAT THE PRIVATE INDUSTRY COUNCIL CAN PROVIDE A MUCH NEEDED PERSPECTIVE TO THE OPERATIONS OF THE PROGRAM BOTH FROM ITS DIVERSIFIED

REPRESENTATION FROM THE COMMUNITY WHICH INSURES ALLINTERESTS, BUT ESPECIALLY FROM THE PRIVATE SECTOR THROUGH A RESULTS ORIENTED STRATEGY. FROM WHAT I CAN SEE, THE PROGRAM HAS WORKED AND IT IS MY HOPE THAT YOUR HEARINGS RESULT IN THE SAME CONCLUSION, AND THAT IF INDEED THE TRIAL PERIOD PROVED SUCCESSFUL THAT A LONG TERM FOCUS AND PHILOSOPHY BE DEVELOPED, WHICH WILL PRESERVE AND PROMOTE THE PROGRAMS THAT WORK AND ALLOW FOR PROGRAM INNOVATION, CULTIVATION OF THE BUSINESS COMMUNITY AND COORDINATION OF EFFORTS WITH BUSINES DEVELOPMENT COMPONENTS TO MATCH THE HUMAN RESOURCES OF THE COMMUNITY WITH THE GROWTH OPPORTUNITIES THAT EXIST THROUGH NEW OR EXISTING BUSINESS.

THANK YOU!

Senator QUAYLE. Next is the mayor of Mishawaka, the Honorable Robert Beutter. Welcome.

Mayor BEUTTER. Thank you, Senator, and we appreciate the opportunity to testify at this hearing. I would agree with the others that JTPA is working in St. Joseph County. A comparison of our goals in St. Joseph County and our actual accomplishments indicates that the program is operating effectively and cost efficiently, and I put a few statistics in my written testimony to illustrate that.

I think our only concern is that there might be a substantial funding reduction that could impair our ability to continue the program. Both the U.S. Senate and the House have approved separate versions of the 1986 budget.

I believe that the Senate version calls for a major cut in programs of this type, whereas the House would maintain current funding levels, and would also allow increased funding but only at the rate of inflation.

I would urge the House and Senate conferees to support the House proposal.

One area of special local concern is the Allied-Bendix Employee Assistance Program that Mike Hammes just touched on. Without repeating all he said, I, too, would urge you and our other representatives in Congress, to expedite Indiana's request for Federal dislocated worker assistance for the Bendix situation. In my opinion, one of the greatest successes of JTPA is the team or partnership philosophy of addressing the problems of unemployment. Government, business and industry are working together to combat unemployment in our community. The St. Joseph County job training program is operated and administered by local people who are familiar with local conditions and local problems.

Our private industry council contains a cross section of community skills and interests, and because of that, I think our job training program is effective because these people best know the skills required for jobs available now and those expected in the near future.

Private sector PIC members provide vital input on the kind of training JTPA participants should receive, and PIC members from other fields such as organized labor and education ensure that other community needs are addressed by local training programs.

That partnership philosophy is further carried out by uniting the mayors of Mishawaka, South Bend and the chairman of the St. Joseph County Commissioners on one panel.

I think this encourages and promotes the handling of unemployment problems on a broad and realistic communitywide basis. Unemployment does not recognize or follow political boundaries. The Job Training Partnership Act is helping us recognize that South Bend, Mishawaka, and St. Joseph County are partners, and that joblessness is a partnership problem. In conclusion, I would say that I would hope that you would let JTPA take advantage of available talent from local government, business and industry, the people who best know and can best handle community problems.

We want to preserve the local flexibility and discretion, so that those of us who participate have some meaningful roles at the local level. Maintain adequate funding so that we in St. Joseph County can continue to effectively address the needs of the jobless. Again, thank you.

[The prepared statement of Mr. Beutter follows:]

CITY OF MISHAWAKA

OFFICE OF THE MAYOR
ROBERT C. BEUTTER, MAYOR

July 2, 1985

The Honorable Dan Quayle
United States Senate
524 Hart Senate Office Building
Washington, D.C. 20515

Dear Senator Quayle:

Herewith, I submit written testimony to the Subcommittee on Employment in Productivity for the Labor and Human Resources Committee of the United States Senate. I appreciate your invitation to testify before the oversight hearing in South Bend on July 2nd and I thank you for soliciting my views on this important program.

I commend you for sponsoring this important Act and for your continued dedication to the success of the Job Training Partnership Act. This program illustrates how the private and public sectors can successfully work together toward the benefit of one another.

Sincerely,

Robert C. Beutter

RCB/h

City Hall • 204 E. First St. • Mishawaka, IN 46544 • (219) 258-1601

TESTIMONY BEFORE THE
CONGRESSIONAL OVERSIGHT HEARING
ON THE JOB TRAINING PARTNERSHIP ACT

UNITED STATES SENATOR
DAN QUAYLE

BY

ROBERT C. BEUTTER, MAYOR
MISHAWAKA, INDIANA
AND
CHAIRMAN OF BOARD OF DIRECTORS
ST. JOSEPH COUNTY JOB TRAINING PROGRAM

JULY 2, 1985
8:30 A.M. to 10:00 A.M.

INTRODUCTION

As we enter the second full year of operations under the Job Training Partnership Act, it is an appropriate time to review and evaluate what has been accomplished under this new law. As Mayor of the City of Mishawaka, Indiana, and Chairman of the Board of Directors of the St. Joseph County Job Training Program, I appreciate the invitation to testify at this hearing and support this program that is so essential to our community at this time.

WHAT HAS BEEN ACCOMPLISHED UNDER JTPA IN ST. JOSEPH COUNTY?

In the St. Joseph County Service Delivery Area, 409 persons have secured employment through JTP -- Offered Services. A comparison of our goals in St. Joseph County and our actual accomplishments indicates that the program is operating effectively and cost-efficiently:

ADULTS (age 21 and over):	Goal	Actual
Entered employment rate	65%	74%
Welfare recipient entered employment rate	41%	61%
Average cost per entered employment	$4305	$2700
Average wage at employment	$4.89	$5.43
YOUTH (Age 16 through 21):		
Entered employment rate	46%	63%
Positive termination rate	70%	75%
Average cost per positive termination	$3782	$2962

These results from our first full year of operation form a solid foundation for continued growth and success. Our only concern would be that a substantial funding reduction could seriously impair our ability to bring unemployed, economically disadvantaged, and dislocated workers back into the job market by providing these jobless with the training and retraining they need to land permanent and meaningful employment.

Both the U.S. Senate and House of Representatives have approved separate versions of a 1986 Federal Budget which differ substantially on the level of funding expected for Job Training Partnership Act programs.

The Senate proposal would cut employment and training activities by $1 billion dollars, including a reduction of $525 million from the Job Training Partnership Act.

The House proposal would maintain current funding levels for programs serving the employment and training needs of the disadvantaged and would allow increased funding, but only at the rate of inflation, to maintain current levels of services. For the Job Training Partnership Act this would mean an increase of $165 million would be necessary in 1986.

Because of the importance and effectiveness of the JTPA in St. Joseph County, I urge the House and Senate Conferees to support the House proposal.

ALLIED-BENDIX EMPLOYEE AID

Following the announced shutdown of manufacturing operations of the Bendix Chassis & Brake Components Division of the Allied Corporation in South Bend, Governor Robert Orr applied to the U.S. Department of Labor for $1.8 million dollars in dislocated worker assistance.

Allied/Bendix has contributed $1 million dollars to assist laid off workers make the transition to new jobs. The two-year phase out of approximately 1,300 Allied-Bendix jobs has already begun and assistance to the laid off workers has begun.

I urge Senator Quayle and our other Representatives in Congress to facilitate and expedite Indiana's request for Federal dislocated worker assistance. All Indiana dislocated worker reserve funds from the Job Training Partnership Act are now obligated, but the Secretary of Labor's Reserve Fund was replenished on July 1st, 1985. I urge our Indiana Senators and Congressmen to press for early consideration of Indiana's application.

PARTNERSHIP-THE NEW PHILOSOPHY

Perhaps one of the greatest successes of JTPA is the team or partnership philosophy of addressing the problems of unemployment. Government, business, and industry are working together to combat unemployment in our community. In many ways I feel that St. Joseph County is fortunate that it is one of Indiana's 17 designated Service Delivery Areas. Although it makes us the smallest SDA, we have no problems with diversity of interests and economic situations that must be faced and dealt with by multi-county SDAs. Thus, the St. Joseph County Job Training Program is operated and administered by local people who are familiar with local conditions and problems.

Our Private Industry Council, composed of officials and representatives of business and industry, work together to develop and oversee the Job Training Program for our community. Business and industry have demonstrated that they are caring and concerned citizens by encouraging key employees to devote their time and energy to this project. A cross section of community skills and interests are represented on the PIC. Our Job Training Program is effective because these people know best the skills required for jobs available now and those expected in the future. Private-sector PIC members provide vital input on the kind of training JTPA participants should receive. PIC members from other fields such as organized labor and education insure that other community needs are addressed by local training programs.

The partnership philosophy is further carried out by uniting the Mayor of South Bend, the Mayor of Mishawaka, and the President of the St. Joseph County Board of Commissioners with the President and Vice-President of the Private Industry Council on the Board of Directors of the St. Joseph County Job Training Program. The three elected officials represent all of the citizens in our SDA. This encourages and promotes the handling of unemployment problems on a broad and realistic community-wide basis. Unemployment does not recognize or follow political boundaries. For example, I have been told that nearly 15% of the employees to be laid off by Allied-Bendix in South Bend have Mishawaka addresses. Similarly, new jobs in Mishawaka benefit the entire St. Joseph County community. The Job Training Partnership Act is helping us recognize that South Bend, Mishawaka, and St. Joseph County are partners and that joblessness is a partnership problem.

CONCLUSION AND SUMMARY

I am one of the first to testify before you today. Throughout the morning I hope that you will hear others agree with me in urging you to maintain and expand the local partnership philosophy. Let JTPA take advantage of available talent from government, business and industry -- the people who best know and can best handle community problems. Preserve local flexibility and discretion so that those of us who participate have meaningful roles. Maintain adequate Federal funding so that we in St. Joseph County can continue to effectively address the needs of the jobless.

Again, thank you for allowing me to testify this morning.

Robert Beutter

Senator QUAYLE. Thank you very much, mayor. Let me just make a couple brief comments and then ask a question or two. One of the things that we tried to do in this legislation on a comparative basis with the CETA Program, is to make certain that we had active participation from the private sector.

We felt that certainly, that public officials, that we are always interested in promoting jobs and opportunities, and we ask for the responsibility, but we know also where those jobs and opportunities are, by and large; 80 percent of the new jobs and opportunities that we are going to see, it is going to be in the private sector, and therefore, if we are really going to come up with a good strategy of economic development, and where the training, and where we ought to be focusing our attention on services and skills, et cetera, ought to be with that private sector.

So, what we tried to do is craft legislation where the private sector would have a major component and role in the determination of how the delivery of these services are going to be. Furthermore, we decentralized the program. Instead of having some GS-15 from the Department of Labor in Washington come and out and say, well, you know, here is the way that you are going to do it, we have basically given a lot of broad authority and approach to the PIC council and to the local elected officials in the service delivery area.

We also got away from the whole public service employment aspect, and that was the one that really got accused of the leaf-raking jobs, patronage and fraud, and mismanagement, and really ran aground with what was a good idea, to help train particularly the young and economically disadvantaged.

So, those are some of the comparisons and changes that we have made from the old CETA Program, and at first, I think when we first, it was a couple of years ago, people would say, "Oh, yeah, JTPA. Let's see now. That's the one that's going to take over CETA."

Now I think we have gotten CETA behind us far enough, but I think from a programmatic point of view, that it is probably would be of interest to sort of look back and to see what kind of improvements we really have made from that program. If there are any noticeable positive things that we have had in this program as compared to that one, because what you do, it is sort of a lessons learned type of situation. I think the Federal Government is going to be a partner with State and local governments, and the private sector in trying to look at this employment situation for a long, long period of time. The Government has been involved in it for a long time and I think it will continue.

But I wonder, just from your viewpoint, the things I mention, or perhaps there is something else, that if there is perhaps a character that is really making this program work. I think each one of you sort of expressed this concern and support for the partnership attitude that exists.

But as we look to what we have right now and compare it to what we were before, I wonder if, which part of that you think has been the most favorable and helpful thing that has been changed. Mayor Chiddister, do you want to start?

Mayor **Chiddister**. I guess I would say that the involvement of the private sector has just been phenomenal. You know, we believe strongly in that concept, that you bring those folks in. They know how to make things operate and how to run a business, and I think they have taken that approach over into this JTPA, and I think it is working great and that involvement is good.

Senator **Quayle**. Mr. Hammes.

Mr. **Hammes**. I would have to second that. I think that the goal here is to place people in jobs, and the jobs are going to come from the private sector, and you can't appeal to businesses on social grounds to employ individuals. We make quite an investment in the individuals and I think you have to appeal to business on an economic basis and prove to them that the people that come out of our programs are better qualified than others that they might choose to hire, and that this attitude has to be cultivated.

I do not think it existed before, and if it is a governmentally oriented program, I do not think business and industry will be as receptive to it as if the private industry council markets its efforts properly among its cohorts in the business community, and makes them understand exactly what the program is all about, and what benefits they can derive from it.

Senator **Quayle**. Mayor Beutter.

Mayor **Beutter**. I guess I would just give sort of a bottom-line response, and that is, while I have only been mayor of Mishawaka for a year and a half, I am aware that under CETA, some of the department heads who have been there longer than I have gave up, and found out that the problems were greater than the benefits of working with the CETA folks, and so they dropped out of the program. As JTPA has come into the forefront now, and is now our program, we have again begun to participate, and we have a number of workers in Mishawaka now.

Senator **Quayle**. I would like to welcome Mr. Curtis Brown. We have had the testimony of the three other panel witnesses and I just asked them a question on perhaps describing on a comparative basis what they thought was the biggest improvement in JTPA.

What I would do at this time is go ahead and ask you to give your testimony. I know Mayor Chiddister was hoping that you would be here to give all the technical detail because he got to lead off, and he did quite well in your absence. But if you would like to give your testimony, then I will resume with perhaps a final question of the panel. So, Mr. Brown.

Mr. **Brown**. Thank you very much, Senator Quayle. First of all, I would like to apologize for being late, but things happen, and you sometimes cannot make it as quickly as you want to.

During the past 2 years I have had the rare privilege to serve as the president of the private industry council, Northern Indiana Job Alliance.

In passing the Job Training Partnership Act, emphasis on people developing skills and finding jobs seems to matter once again. There is a renewed recognition of the importance of individual talents and contributions in the workplace. It is my belief, the degree to which our country continues to grant the opportunity, the power and pride of a job can and will reflect the differences between area companies which will stagnated, and those that innovate.

Our industrial base in northern Indiana requires that we train and retrain to maintain a sound work force. That is why I am pleased to have this opportunity to share with you some of my concerns.

FUNDING LEVELS

Funding levels should be relatively consistent from year to year. However, Northern Indiana Job Alliance Service Delivery Area Title II—A funds were reduced by 39 percent from 1984 levels due to loss of eligibility of one-third of the funding formula.

The service delivery area dropped below 6.5 percent unemployment which is the cutoff to qualify for funding under the definition of area of substantial unemployment.

The problem could be rectified by providing a 90-percent hold harmless for sub-State allocations currently available to the States. In addition, forward funding should become a part of the JTPA process.

Currently, we attempt to plan for a 2-year period; however, as you know, allocations are only available for 1 program year.

THE YOUTH PROGRAM

This service delivery area is required to expend 37 percent of its funds on services to youth. There are two main issues that come to mind. No. 1, the difficulty in providing a range of services with the restrictions placed on Work Experience Program options. And No. 2, most exemplary youth programs, section 205, are limited to in-school youth.

CATEGORICAL APPROACH

It seems the trend is toward increased categorizing of funding for JTPA programs. This approach is in direct conflict with the intent of "block grants."

The present system has several negative aspects: one, it can increase the administrative burden; two, prohibits flexibility of services to participants, i.e., tracking dollars by title; three, prevents the PIC from taking an active pro-participant stand; and four, what can be operated that will meet performance standards tends to limit the PIC to evaluate restrictive type programs.

CONCLUSION

The private and public sectors are working together in a businesslike manner. We have adopted the private sector approach of marketing our product, the participants. The benefits are shared by both the community and business alike by having other businesses to locate in the area, local people are employed, taxes generated at State, local, and Federal levels, and an increased credibility in the community and the business sector. This program is worthwhile because the product of JTPA works. The intent of the legislation created the need for a number of social service agencies to work together. In NIJA, one contractor has piloted a one-stop-shop approach housing agencies such as Indiana Employment Security Division, Job Service, Indiana Rehabilitation and JTPA.

Therefore, in no way am I suggesting a massive change in JTPA because it is doing its job well. In my opinion, all that needs to be done is a little fine tuning. Thank you very much.

[The prepared statement of Mr. Brown follows:]

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NIJA
NORTHERN INDIANA JOBS ALLIANCE

Testimony to
U.S. Senator Dan Quayle
Chairman of the Senate Labor
Subcommittee on Employment and Productivity
regarding the
Job Training Partnership Act (JTPA)

Curtis Brown
Senior Placement Representative
Miles Laboratories
Elkhart, IN 46515

July 2, 1985

SERVING ELKHART KOSCIUSKO LAGRANGE & MARSHALL COUNTIES

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Our industrial base in Northern Indiana requires that we train and retrain to maintain a sound work force. That is why I am pleased to have this opportunity to share with you some of my concerns.

FUNDING LEVELS

Funding levels should be relatively consistent from year to year. However, Northern Indiana Job Alliance (NIJA) Service Delivery Area Title II - A funds were reduced by 39% from 1984 levels due to loss of eligibility of 1/3 of the funding formula. The Service Delivery Area dropped below 6.5% unemployment which is the cut off to qualify for funding under the definition of area of substantial unemployment. The problem could be rectified by providing a 90% hold harmless for sub-state allocations currently available to the states. In addition, forward funding should become a part of the JTPA process. Currently we attempt to plan for a two (2) year period, however as you know allocations are only available for one program year.

YOUTH PROGRAMS

This Service Delivery Area is required to expend 37% of its funds on services to youth. There are two main issues that come to mind. (1) The difficulty in providing a range of services with the restrictions placed on Work Experience Program options. (2) Most exemplary youth programs (Section 205) are limited to in-school youth.

CATEGORICAL APPROACH

It seems the trend is toward increased categorizing of funding for JTPA programs. This approach is in direct conflict with the intent of "block grants". The present system has several negative aspects:

SERVING ELKHART KOSCIUSKO LAGRANGE & MARSHALL COUNTIES

A. It can increase the administrative burden. B. Prohibits flexibility of services to participants, i.e., tracking dollars by title. C. Prevents the PIC from taking an active pro-participant stand. D. What can be operated that will meet performance standards tends to limit the PIC to evaluate restrictive type programs.

PERFORMANCE STANDARDS AND 6% FUNDS

Performance standards are currently calculated in a regression model, i.e., the better you do the better you will have to do the following year. Now the problem with this model is it can encourage non-performance. The non-performance issue is further encouraged by the 6% formula. Poor performance allows SDA technical assistance funds which have no limitations nor do they have performance standards attached.

TITLE III FUNDING

Plant closures, long term unemployment and lay-offs are imminent for most SAD's. However, obtaining funds to assist these individuals are burdensome. As we look at this issue at the Federal level, there are 25% of funds allocated but held and obtained only through application. This is quite time consuming. The funds allocated locally (SDA) require a match which create in some instances a problem for the SDA and discourage the PIC from participating. Pre-intervention activities are critical to workers facing lay-off, but the process of obtaining funds does not support this approach.

Relief from matching funds and a better understanding of congressional intent (flow of dollars to SDA) will assist the implementation of this program.

CONCLUSION

The private and public sectors are working together in a business like manner. We have adopted the private sector approach of marketing our product (Participants). The benefits are shared by both the community and business alike by having other businesses to locate in the area, local people are employed, taxes generated at state, local and federal levels, and an increase credibility in the community and the business sector. This program is worthwhile because the product of JTPA works. The intent of the legislation created the need for a number of social service agencies to work together. In NIJA, one contractor has piloted a "one-stop shop" approach housing agencies such as Indiana Employment Security Division, Job Service, Indiana Rehabilitation and JTPA. Therefore, in no way am I suggesting a massive change in JTPA

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because it is doing its job well. In my opinion all that's needed to be done is a little fine tuning.

Senator **Quayle**. Thank you very much, Mr. Brown. I appreciate your straightforward comments and I can tell you that the funding levels were mentioned before, and that it has been a source of concern, and it probably will be still a very difficult issue, particularly looking at the budget responsibilities and the problems we have with the deficit.

But this is one of the reasons I am having the hearings, is to see what the demand is, and to sort of get the temperature, and to see if in fact we are able to expand the program.

I think that what I would say, and perhaps as some of the fine tuning that you mentioned, we want to maintain as much flexibility in these programs as we possibly can.

I mean, I think that that is absolutely essential. I think that the first thing that will turn off business people is just to have a lot of Government regulation and redtape, and requirements that they have to do.

One of the first things that will turn off employers potentially hiring some of the people that we are training in JTPA is just to have a lot of additional paperwork, and I can hear the small businessperson right now saying, well, I am not going to mess around with that, if I have got to fill out all these forms and all that just to hire somebody. I will go somewhere else. So I can assure you that on some of these specifics, where there is not the flexibility or any additional redtape, that we will try to fine tune that.

I wonder, has the PIC council that you all have been involved in, has this been somewhat of a catalyst and a conduit for discussions of economic development within the local communities.

In other words, are we seeing that the PIC council being somewhat of a focal point to discuss economic ideas, perhaps a new industry that is going to come into the area, that if we are going to go after this industry, then we had better start a training program in this particular area?

Or if we have a small business that says I need a few people with this particular skill, and they go down to the PIC council and say, well, you know, why don't you start up a training program, or help gear some people into this direction.

In other words, are we seeing that perhaps the PIC council is being utilized more than just determining where these services are going to be directed, and perhaps looking at a grander scale and the overall economic development picture of the local community. Mr. Hammes.

Mr. **Hammes**. I think our local PIC has talked about these subjects and I think we are moving in a direction where we would like to have the PIC work in tandem with local economic development efforts. We have an effort in South Bend and St. Joseph County called Project Future which seeks to expand the current employers and also bring employers into town.

And we see a joint effort as being very fruitful for both us and them, if they can consider the work force, or the labor pool as being categorized to match potential employers, so it can be sold as an economic resource of our area just as water or any other kind of resource might be sold.

I do not think we have done as much in that area as we certainly can, and it is an area that our PIC is moving very aggressively toward.

We have talked also about the possibility of having seed capital through the private industry council and I do not know where in the legislation that—we found it could not be done, but we had discussed that because seed capital has been important to startup efforts in the community, but it takes time to nurture or start up into an active employer of any magnitude, and so that might be stretching it somewhat. But we have had discussions of this type and are moving very much in that direction.

Senator QUAYLE. Mayor, do you find the PIC council being useful to sort of sit around and kick around some strategy ideas on where Mishawaka may be going?

Mayor Beutter. Well, first, the quality of people that we have on our PIC council is great, and I think it is a tribute to the citizenship of—you know—the local corporations who give us their talent, folks like Mike, who spends a number of hours working for PIC and JTPA.

So I think that kind of cooperation is great, and in Mishawaka, the mayor's representative to the PIC council is our economic development director.

So certainly, that kind of topic that you mention would be a natural one for him to bring up in a group of people like we have gathered together on our PIC council.

So I think that, as Mike mentioned, it is probably going to be an outgrowth of talking about one problem leading into something bigger, and I would hope to see it go in that direction.

Senator QUAYLE. Mr. Brown.

Mr. BROWN. I think that we tend to be more reactive than proactive in this process; in other words, I think that what we tend to do is to become aware of an industry that is interested in coming into the area, and then seek out the kinds of employment needs that they will have, and look to our service providers to provide them the kind of talent that they want and need. So I think that we do not necessarily sit down and talk about, you know, what the future might hold for the kinds of people that will come in here, but tend to react, once we find out an industry is coming into a community.

Senator QUAYLE. Mayor Chiddister.

Mayor CHIDDISTER. No, and thank you for the new strategy idea, but I can see how it could plug in, and much like Curtis says, we are reactive rather than proactive, but it is a good strategy idea and something we can use.

Senator QUAYLE. Gentlemen, thank you very much for your testimony. The written testimony will be made a part of the official record and obviously your spoken testimony has been duly recorded.

I can only say that, really, this is sort of the heart beat of where the action is, that this cooperation between the public and private sector is absolutely essential.

I wish you all very well with the PIC council, it is very important for the implementation of the program, and we look forward to working with you on any of the fine-tuning that we can do to make this good program an even better program. So I thank the panel very much.

Our next panel is a panel of representatives of related programs, business and labor. Dr. Larry Crabb, Mr. Joseph Duraneck, Mr. Mark Rodrigues, Dr. Lynne Miller, Mr. Edwin Robison, and Mr. Philip Crone. If those people would come forward, please. Welcome, gentlemen, and our first witness will be Dr. Larry Crabb who is a PIC member and he is the superintendent of the Warsaw community schools. Dr. Crabb, welcome.

STATEMENT OF DR. LARRY CRABB, PIC MEMBER, SUPERINTENDENT WARSAW COMMUNITY SCHOOLS, WARSAW, IN; MARK RODRIGUES, MANAGER, INDUSTRIAL DEVELOPMENT DIVISION, SOUTH BEND-MISHAWAKA AREA CHAMBER OF COMMERCE, SOUTH BEND, IN; AND EDWIN ROBISON, REHABILITATION DIRECTOR, GOODWILL INDUSTRIES OF MICHIANA, INC., SOUTH BEND, IN

Dr. **Crabb**. Thank you, Senator. I would just like to make some general comments as an original member of the PIC council, also representing public education which I think is also important to have represented in the partnership, and also, from the perspective of, in our own county, providing some of the service to our local contractor in the PIC, and also having one of the JTPA employees. So, a lot of different general perceptions in this area.

I think, as already mentioned by our own president of our PIC, Mr. Brown, the partnership aspect of it I think is one of the strongest points, and that is a partnership of many different varied individuals. I think, having spent many hours in meetings, and especially at the beginning, trying to get us all together, and going in one direction, I think was a good process, a lot of good confrontation and communication, and I think we are off to a good start.

So, everybody working together I think is good, and we have quality people. I think in my own local area, which is Koskiosco County, our service delivery mechanism that we have there is somewhat unique, and I think a good model, and that has also been mentioned, that we have several service agencies under one roof, and all cooperating together, and that is a job service, and rehabilitation and JTPA all together, working together, out of what is called the Cardinal Center.

So the partnership is, to me, one of the strongest points, if not the strongest point, and also, it brings local people together to solve their own problems, which I think is also important, with, hopefully, the least amount of restrictions possible, and obviously, in my own field, there is a lot of paperwork for Federal and State money, and so on, and I am still not used to that. But the more we get, the more restrictive it is, it makes it harder to deliver the programs.

As mentioned in the area of youth services which I think should be a very important part of the total program, and I obviously do not have all the answers in that area, but I think we do need more flexibility and creativity in how to serve the various youth populations.

As mentioned, the in-school youth, and out-of-school youth, possibly the out of school ones, in the younger ages, we might need more flexibility in getting them into various programs and getting them employable. Employability skills obviously would be one of the most important things that we could so. So as much flexibility as possible in the youth programs and work experience type activities, whatever it might take to get these kids, at an early age, so they will be trained and be able to do something the rest of their lives.

The funding levels, obviously, we have already hit, and to be consistent there, it would help, because we do plan about a 2-year basis. That one is very obvious. The problem of general versus categorical I think is always built into this type of program.

We probably would tend to have less categorical aid, but I understand why there has to be some there, and, obviously we have more flexibility with the general type aid, which we would tend to support.

The categorical aid seems to add more of an administrative burden and I think one of our objectives should be less administrative burden, less money into administration, and more money to actual programs that would actually help the people that we are serving.

We have had a lot of good experiences with local industry, retraining programs, a lot of positive points and good things that have already happened.

So basically, that would be the main perceptions I have had in the last 2 years, looking at it from different standpoints. I think there has been a lot of success, more success than negatives, and in the future, I think I would want to see the partnership activity remain intact, and include all segments of the communities as much as possible. Keep it local, keep it flexible, general aid as much as possible, and we can use, obviously, all the money that we can get for it. Thank you.

Senator **Quayle**. Thank you very much, Dr. Crabb.

Mr. Edwin Robison who is the rehabilitation director of the Goodwill Industries of Michiana here in South Bend. Mr. Robison.

Mr. **Robison**. Thank you. As rehabilitation director at Goodwill Industries of Michiana, I am responsible for providing vocational rehabilitaton services to approximately 25 disabled and/or disadvantaged adults on a daily basis.

Since February of this year, we have been providing custodial and job-seeking skills training to thirteen JTPA enrollees. In addition, we are currently planning a food services training program to begin operation in either late summer or early fall, and the training activities for this program will take place on an actual job site in the community.

While our working relationship has not been without its growing pains, finding the solutions to program-related problems have been made much easier by a JTPA staff that is not only accessible but views the solutions to these problems to be as much their responsibility as the service providers.

Funding JTPA's current programs at a lower level than the old CETA programs has forced JTPA to become results oriented. In addition, the avoidance of operating in-house programs for its enrollees that are duplicated elsewhere in the community is now a major administrative priority. I feel that there is a true partnership between JTPA and the community it serves. I do have one major concern, however. Due to its small budget, JTP has been forced to be much more selective in choosing its program enrollees. While this has resulted in a substantially higher percentage of program completers and successful outcomes when compared to the results of CETA, it has also created a significant group of people who, even though in desperate need of a job, do not possess minimum entry level skills to qualify for JTP-sponsored training programs, and I guess you would call these the hard-core unemployed.

Indeed, it was an attempt to find a solution to this problem that led to the present working relationship between JTP and Goodwill.

Our custodial training program was attractive to JTP because its entry requirements were less restricted, and it was also viewed as an option for someone with very low academic skills who needed a job as quickly as possible.

This is certainly a beginning but much more needs to be done. A program combining actual work experience with training in basic job survival skills needs to be established for the disadvantaged.

In closing, let me just say, that even though we can always find the ways and means to improve upon a job we are given, I feel that the Job Training Program is a positive step in the right direction. Thank you.

[The prepared statement of Mr. Robison follows:]

STATEMENT BY G. EDWIN ROBISON

Mr. Chairman:

I am G. Edwin Robison, Rehabilitation Director at Goodwill Industries of Michiana, Inc. In that capacity I am responsible for providing vocational rehabilitation services to approximately 25 disabled and/or disadvantaged adults on a daily basis. The following perspective is offered from the viewpoint of one who not only is currently providing services to the St. Joseph County Job Training Program, but provided services to the old local CETA program, as well. As a result of this perspective, I have been able to draw a favorable comparison between the current JTP service delivery system and its CETA counterpart.

Let me express my appreciation for the invitation to address your Committee at this hearing.

During the mid to late 1970's, I was involved in providing vocational evaluation services for upwards of 300 CETA clients per year. We received our initial contract in 1976, following nearly a year and a half of efforts to convince the local CETA administration that a more sophisticated and comprehensive vocational evaluation process at the front end of the service delivery system would result in more appropriate training placements and a higher probability of successful training completions culminating in greater numbers of CETA enrollees achieving community job placement.

During the three years that I was involved in working with CETA, I made several observations relating to the manner in which the various program components were operated.

First, and foremost, was the implied attitude of self-containment. It was my feeling that the CETA administration would have been more than content to develop and operate every one of the various program components, should that have been possible. Community imput and involvement appeared to be at a minimum. With money to burn, so to speak, the avoidance of program duplication was not a high priority.

I also noted the rather *slipshod* management of the CETA programs, and what appeared to me to be a general lack of accountability in the overall operation of the programs. The entire system appeared to be *numbers* oriented, rather than *results* oriented. At no time during my association as a service provider to CETA did I ever receive information, either positive or negative, as to the impact my program was having on the overall service delivery system. We operated our program in a virtual vacuum.

Last, the *red tape* associated with providing services to CETA was considerable. Endless forms to be filled out, as well as sometimes senseless regulations to be complied with. There were a number of times that I asked myself if the money received from providing services to CETA was worth the *hassle* we were forced to go through to obtain it.

In early 1979 I left my position as Rehabilitation Director at Goodwill Industries to take a job in southern Indiana. During the spring of last year I resumed my former responsibilities. At that time I was asked to explore the possibility of providing some type of vocational evaluation or skills training program to the local Job Training Program. To be frank, I was not at all excited about the prospects of developing a working relationship with JTP, despite my goal of increasing the variety of funding sources for Goodwill's rehabilitation programs. Although I had had no previous experience in working with any other JTP, enough of my old biases remained for me to consider it in my own mind as "son of CETA." I was in for a pleasant surprise.

Since February of this year, Goodwill Industries has provided custodial and job seeking skills training to 13 JTP enrollees. The purpose of this program is to assure that each program completor has the necessary skills to obtain unsubsidized employment in the community. In addition, we are currently planning a food services training program to begin operation in either late summer or early fall. The training activities for this program will take place on an actual job site in the community.

It became quickly apparent to me that I had been incorrect in my initial opinion of JTP. While our working relationship has not been without its growing pains, I have not experienced the same type of problems and frustrations as I had with CETA.

Funding the current programs at a substantially lower level than the old CETA programs has forced JTP to become *results* oriented. In addition, the avoidance of operating in-house programs for its enrollees that are duplicated elsewhere in the community is now a major administrative priority. I feel that there is a true partnership between JTP and the community it serves.

Finding the solutions to program-related problems that always crop up from time to time has been made much easier by a JTP staff that is not only accessible, but views the solutions to these problems to be as much their responsibility as the service provider's. Our working relationship with JTP has been very satisfactory, indeed.

I do have one major concern, however. Due to its smaller budget, JTP has been forced to be much more selective in choosing its program enrollees. While this has resulted in a substantially higher percentage of successful outcomes, when compared to CETA, it has also created a significant group of people, who, even though in desperate need of a job, do not possess minimum entry-level skills to qualify for the JTP-sponsored training programs. These are the *hard-core* unemployed.

Indeed, it was an attempt to find a solution to this problem that led to the present working relationship between JTP and Goodwill. Our custodial training program was attractive to JTP not only because its entry requirements were less restrictive, but also because of its brevity, only four weeks in length. Basically, it was viewed as a legitimate option for someone with very low academic skills who needed a job as quickly as possible, but did not want to spend a lengthy period of time in training.

This is certainly a beginning, but much more can be done. For many years Goodwill has provided *work adjustment training* for disabled adults. This program combines actual work experience along with training in basic job survival skills, such as the importance of attendance and punctuality, quality and quantity of production, and appropriate interaction with supervisors and co-workers. Individual and group counseling is also available to facilitate the acclimation to community employment. I feel that a similar type of program, specifically geared to the needs of the disadvantaged, would be very beneficial, unless we are willing to simply sweep these people under a rug.

In closing, let me just say that even though we can always find the ways and means to improve upon a job we are doing, I feel that the Job Training Program is a positive step in the right direction, and I hope that it continues in the future.

Thank you again for the invitation to testify.

South Bend/Mishawaka
AREA CHAMBER OF COMMERCE

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TESTIMONY

BY

MARK-RAYMOND P. RODRIGUES

INDUSTRIAL DEVELOPER
SOUTH BEND/MISHAWAKA AREA CHAMBER OF COMMERCE

BEFORE

SENATOR DAN QUAYLE, CHAIRMAN

SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY

FOR THE LABOR & HUMAN RESOURCES COMMITTEE

SUBJECT:

THE LOCAL BUSINESS EXPERIENCE WITH THE
JOB TRAINING PARTNERSHIP ACT

South Bend, Indiana
July 2, 1985

Senator **Quayle**. Thank you, Mr. Robison. Mr. Mark Rodrigues who is the manager, industrial development division of the South Bend-Mishawaka Area Chamber of Commerce. Mr. Rodrigues.

Mr. **Rodrigues**. Thank you, Senator. Let me express my appreciation for the opportunity to talk with you today. I am the industrial developer for the project future organization, a division of the chamber of commerce. In that role, I have had frequent opportunities to talk with local businesses who are considering expansions, and also, businesses looking to locate into this area.

My comments today represent my 5 years of experience working with job training programs and representing the chamber of commerce.

I found that one simple but informative measure of our local Job Training Program's success, is to see whether the employers who have hired from the program will do so again. In reviewing the placement records for our local program, the answer to this test is a resounding yes. The records for this community show that employers who use the Job Training Program will use the service again and again.

My written testimony provides a number of case examples to further illustrate that those employers who have participated are largely satisfied with the program's efforts.

From my viewpoint, St. Joseph County's successful experience is due to our private industry council's dedication to fully prepare participants for employment, coupled with their orientation of treating an employer as a customer. Because of this emphasis, the job placement staff has pledged to respond quickly when referring appropriate candidates, and if they cannot find suitable candidates for referral, then the employer is informed and no further time is wasted.

Another factor I find particularly important is that our local program offers a comprehensive job search course which includes interview techniques. By learning how to look for a job, the participants become better job candidates and in the long-run, become less dependent upon public services as they have learned the skills to help themselves with their own job search.

Our local job development staff recognizes the importance of the businessperson's time and the need to obtain qualified employees. The reason the program works in St. Joseph County is that the employer—the person who offers the jobs—is truly treated as a valued partner in the job placement process.

Credit for the success of our local program, however, must be shared with the Federal legislation which has allowed some flexibility at the local level. This is the key to assembling the most effective programs for the participants and the employers. The perspective I have offered today is that of the local business community, and that is that the Job Training Program is working. Thank you, Senator.

[The prepared statement of Mr. Rodrigues follows:]

Senator Quayle:

Let me express my appreciation for the opportunity to address you at this time. I am Mark Rodrigues, industrial developer for the South Bend/Mishawaka Area Chamber of Commerce. My responsibilities in this capacity include working with local businesses who are interested in expansion, as well as those companies starting a new operation in our community.

I have had the pleasure to work with the local job training program to arrange employment opportunities for its participants at new and expanding businesses. My testimony today will, therefore, represent not only the views of the South Bend/Mishawaka Area Chamber of Commerce but also my five years of experience in working with employment and training programs on behalf of the Chamber. I will draw upon my experiences to illustrate a few of the successes attributable to our area employment training program and then attempt to identify those factors which area businesses cite as important when hiring referrals from the program.

In the restaurant business, two factors (besides good food) contribute to success: an interesting location and reliable employees. The Emporium Restaurant, located at the headwaters of our East Race Waterway, definitely has an excellent location. The business began operations with nearly half its work crew consisting of employees sponsored by an on-the-job training program (OJT). These OJT participants contributed their hard work and dedication to make sure the restaurant not only opened on time, but was an enjoyable place in which to return. Today, The Emporium is one of the leading restaurants in our community due, in part, to the effort and dedication of those OJT participants.

An example of an expansion which depended upon the skills and productivity of OJT participants involves a local manufacturer which supplies products to an area military contractor. This company, Electro Transfer Systems, turned to the OJT program for help in increasing their work force by 25% over a two-month period. Those selected for employment by this company received training in reading schematic diagrams and also in applied mathematics. This was a case where the job training program could work with an employer to place individuals who needed a beginning in the job market. The participants also benefited because they learned new skills and, therefore, improved their opportunities for continued and future employment.

One business in our community which operates a helicopter repair and rebuilding service originally turned to the CETA program for referrals of Vietnam era veterans. These job candidates were able to train for aircraft repair licenses and eventually pilot licenses. Today this company, Nicad, Inc., continues to use the Job Training Program for the referral of persons to help them with their new manufacturing and service operations.

These three cases illustrate the fact that the Job Training Program can meet the needs of area employers and play a role in business success.

I would like to add another example, and that is the experience of the South Bend/Mishawaka Area Chamber of Commerce. Currently in our office there are two persons working full-time who were originally referred to us under an OJT agreement. One of the individuals runs our production room and related activities. He is 55 years old. Because of his age and his foreign accent (he is originally from Sri Lanka), he faced considerable barriers to employment. The Chamber of Commerce is proud to have him as a member of our staff, not only because of his productivity and responsibilities, but because he has used his earnings to help bring his family to this country and to help them gain U.S. citizenship. His son is now employed at a local bank as a computer programmer, and his daughter is working towards a law degree. Without the opportunity made available through the Job Training Program, this person might not have been able to find a foothold in this country's employment market.

Under an earlier OJT agreement, the Chamber of Commerce also hired a 19 year old unwed mother. As a job candidate, her typing skills were an unimpressive 26 to 30 words per minute -- insufficient to earn a job with most employers. Yet this individual used the interview skills she gained from the Job Training Program to effectively argue that not only would she be a productive worker, but she could and would improve her clerical skills. Because she was prepared to counter observations about her lack of experience and skills, she convinced us to hire her. We believed she was highly motivated to work since she would likely have had more income as a welfare recipient than she would earn initially in an entry-level position in our organization. Our gamble paid off: this person excelled at word processing, became one of our fastest and most accurate typists, and is now the administrative assistant to one of our program managers. Over the years, it has been impressive to see how this individual's confidence has improved along with her skills and capabilities. If not for the Job Training Program, we might not have hired this person. Now her skills and work experience would be of value to most any employer.

Certainly there are many other individual and business success stories that can be cited when talking about our local job training program, many of which will likely be covered by other panelists later today. Rather than go into additional examples, I would like to outline some of the reasons I see as contributing to the success of the St. Joseph County Job Training Program.

Our Private Industry Council has mandated that service to employers is the basic method for developing jobs for participants. Because of this emphasis, the job placement staff has pledged that if area employers will call them when an opening occurs the Job Training Program will move quickly to refer appropriate candidates for the position. When an opening occurs, the placement staff reviews the criteria required by the employer and attempts to find a suitable match between the candidate and the job. If no reasonable candidates are available for referral at that time, then the employer is informed and no further time is wasted. Occasionally, an employer may require standardized testing as part of their screening process -- a service which the job development staff can provide as appropriate.

Another ingredient I find particularly important is that each one of the job-training participants referred for employment has received instruction in interviewing. These candidates, therefore, have an advantage over some of the others who may not know appropriate dress when meeting an employer, and have not had an opportunity to practice presenting their qualifications in a mock-interview. Our local job training program provides interview skills training as part of a comprehensive job search course offered to most of the participants. By learning how to look for a job, the participants become better candidates for referral by the placement staff and, in the long run, become less dependent upon public services as they have learned the skills to conduct their own job search.

From my viewpoint, the reason that the St. Joseph County Job Training Program has met with such success is the program's orientation to serve employers. This attitude is coupled with the program's dedication to fully prepare participants for employment.

One simple but informative test as to whether the program works for businesses in this community is to see if the employers who have hired referrals from the program will do so again. By surveying the placement records for the program, the answer to this test is a resounding "yes." The records show that employers who use the Job Training Program will call for the service again and again.

Credit for the success of our local job training program, however, must be shared with the federal legislation, which has allowed the Job Training Partnership Act to succeed based upon the strength of local partnerships. Flexibility at the local level is the key to assembling the most effective programs for the participants and the employers.

The viewpoint I've offered today is the perspective of local businesses on how the local program is operating. My observations are limited in that I cannot offer comments on the day-to-day mangement of the program. I am unable to critique such issues as funding allocations and performance standards. I do, however, wish to leave you with the understanding that in the views of the local business community the Job Training Program has met with success.

Our local job development staff recognizes the importance of the business person's time and the need to obtain qualified employees. The reason that the program works in St. Joseph County is that the employer -- the person who offers the jobs -- is truly treated as a valued partner in the job placement process.

Mr. Chairman, thank you again for the opportunity to testify.

Senator **Quayle**. Thank you very much, Mr. Rodrigues. That was a very good summation of how the program is being perceived, if in fact employers that hire once from the PIC council and JTPA, and they are willing to go back. That shows that they are very satisfied.

Dr. Crabb, I am interested in this Cardinal Center that you talked about in Warsaw. You have the Job Service there and Rehabilitation Services and JTPA, all operating out of the Cardinal Center?

Dr. **Crabb**. Right.

Senator **Quayle**. Would you explain that a little bit further. The reason I ask that—and that leads up to a question that I would pose to this panel—and that is, how do we get better communication among the various constituencies that we have. We have education here; we have got the chamber of commerce; we have got rehabilitation services.

How do we get that coordination and communication, and understanding that we are all working in the same direction, without each having to reinvent the wheel? I think that is sort of a problem that we have. It is a problem, quite frankly, that is in Washington.

We have got vocational education out there in the Department of Education. We have employment programs in the Department of Labor. We have rehabilitation services over in the Department of Health and Human Services. You have some things in HHS that deal with education, and social services, that are also training-related programs. And I can tell you that the communication and coordination out there is not a real standard to be observed.

So when you mentioned this Cardinal Center, I was curious about how much coordination, because this seems to be an idea that, I guess must be working in Warsaw, and would you amplify a bit on that, and how it really works, and is it what I think it is?

Dr. **Crabb**. Well, it is working very well, and I might say, your next two people coming up, one is Mr. Martin who is the original—he was there when this was started. He has now left, but he is the past president of Cardinal and he can give you a lot more detail. But it is working well, and it is ideal to have those agencies under one roof because, you know, it is a small office and they communicate on a daily basis, and so they can share information, and when they work with clients, many times the information can be shared, and they can work with more than one at a time.

That type of thing, I do not know if you can enforce it, but that is the type of thing that I think is the intent of some of the partnership activity.

I think the community would have to be encouraged to some degree and if that could be encouraged—or more strongly placed in the legislation—that PIC's would have to at least try to examine that and go toward that type of model, I think it would help a lot. We happen to have a community where that is done on a basis with many different things, and so I think it is a community environment, but it would be good to put in to the actual legislation, if possible. But it works well. You know, I have been there and watched them in operation, and we have had the clients. We have provided the adult ed, basic education for the Job Center, and it simply is performing at a high level, and we have all good comments on it, very little negative.

Senator QUAYLE. Well, I certainly am intrigued by the idea. We put into the vocational education legislation last year a requirement to encourage them to communicate with the PIC council. In other words, we felt that there is some overlap in the JTPA service delivery areas and the vocational education community.

In the legislation, we did not mandate it, but we encouraged it, to get that communication and get that exchange, because so often, you are going in the same direction of helping people, and providing training and skills, and that if we can get a better, just a better communication, that I think that we will be able to provide services a lot more efficiently than what we are doing today. So I will have to come visit this Cardinal Center and take a look at it.

Dr. CRABB. Good. They would be glad to have you.

Senator QUAYLE. I think it sounds like a very novel approach.

Mr. Robison, are there any ways that we can improve the communication between the various programs related to JTPA, or, do you feel from your viewpoint, that the communication and coordination with PIC is satisfactory? Is there any way that we might improve upon it?

Mr. ROBISON. Well, from my vantage point, I think about the only positive thing I can say, that has occurred out of all the funding cuts in these programs in the past several years, has been that this, in a real way, has forced different agencies to work together and pool their resources, because they just do not have as much money available to them from their own sources as they had in years past.

And I have seen a big difference in this community, just in the past couple of years, compared to maybe 10 years ago, in that same regard.

In the mid-1970's, I was involved in providing some services to CETA, and I worked about 3 years with them, and so I can make some comparisons between what was going on then and what is going on now, and it is like the difference between night and day. You have got a staff that is much more accessible and much more flexible, and I think if you can encourage the people that actually are involved in making the programs work to come together, you can get this a lot faster than having administrators talking to other administrators, because—it is the people that are actually down there on the ground level that—they seem to be much more reasonable and much more flexible as far as the communication part of it.

Senator QUAYLE. Mr. Rodrigues, do you have any comments on the coordination and communication that you have, from your viewpoint, the business sector?

Mr. RODRIGUES. Well, there was a comment earlier about coordination with economic development and the Private Industry Council. Locally, our experience is, when we have worked out some arrangements with an employer, we are often talking about a program that is still 6 months to a year down the road toward implementation, that is, hiring and beginning the training, and that training can take several months. So, when we are budgeting for the types of funds that it may take to begin an employee training program, we are often looking into a new fiscal year, where we are not sure what the Federal budget is going to provide for JTP. So we are not sure in every case just how much money we can offer to an employer.

Senator QUAYLE. Gentlemen, thank you very much for your testimony and for making the trip here today, and your written testimony will obviously be a part of the record, and your comments will be recorded also. Thank you very much.

Mr. Philip Crone, chairman of the Third Area Community Action Program Council in South Bend, could not make it today but asked that his statement be entered. So we will do that at this time.

[The prepared statement of Mr. Crone follows:]

COUNCIL
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COMMENTS BY
PHILIP D. CRONE
7-2-85
JTP FIELD HEARING
SOUTH BEND SENATOR QUAYLE

ON BEHALF OF THE UNITED AUTO WORKERS OF SAINT JOSEPH COUNTY, I WOULD LIKE TO THANK SENATOR QUAYLE FOR HIS EFFORTS ON BEHALF OF THE JOB TRAINING PARTNERSHIP ACT AND FOR CONDUCTING THIS FIELD HEARING HERE IN SOUTH BEND TODAY.

MY NAME IS PHILIP CRONE, UNITED AUTO WORKER'S CHAIRMAN, THIRD CONGRESSIONAL DISTRICT COMMUNITY ACTION PROGRAM COUNCIL, I AM ALSO A MEMBER OF THE SAINT JOSEPH COUNTY PRIVATE INDUSTRY COUNCIL ADVISORY BOARD AND A MEMBER OF THE INDIANA STATE EMPLOYMENT SECURITY ADVISORY BOARD.

IT IS VERY APPROPRIATE THAT WE BE HERE TODAY DISCUSSING UNEMPLOYED WORKERS, SINCE INDIANA CERTAINLY HAS ITS SHARE OF SUCH PEOPLE. THE MAJORITY COME FROM PLANTS THAT HAVE BEEN CLOSED DOWN BECAUSE JOBS HAVE BEEN SENT OVERSEAS TO COUNTRIES LIKE JAPAN, SOUTH KOREA AND BRAZIL AND SOME THAT HAVE LOST THEIR JOBS TO ROBOTS AND COMPUTERS. THESE UNEMPLOYED WORKERS ARE REFERRED TO AS "DISLOCATED WORKERS".

THE TYPICAL DISLOCATED WORKER IS MALE, 40 YEARS OLD OR OLDER, A UNION MEMBER AND THE HEAD OF A HOUSEHOLD. ALTHOUGH HE USUALLY HAS ONLY A HIGH SCHOOL EDUCATION, HE HAS BEEN ABLE TO MAINTAIN A MIDDLE-CLASS SALARY STATUS FOR MOST OF HIS WORKING LIFE. MUCH OF HIS EARNINGS CAN BE ATTRIBUTED TO SENIORITY AND SKILLS IN ONE PARTICULAR TYPE OF INDUSTRY - FACTORS NOT NECESSARILY TRANSFERABLE TO OTHER INDUSTRIES. BY WORKING AT MOSTLY ONE TYPE OF JOB, HE HAS BEEN INSULATED FROM THE LABOR MARKET AND MAY KNOW LITTLE ABOUT JOB OPENINGS, OCCUPATIONS IN DEMAND, AND WHERE TO TURN FOR ASSISTANCE.

IN 1982, THE JOB TRAINING PARTNERSHIP ACT (JTPA) WAS PASSED AS AN ALTERNATIVE TO THE COMPREHENSIVE EMPLOYMENT AND TRAINING ACT (CETA) WHICH HAD BEEN THE FEDERAL JOB/TRAINING PROGRAM FOR ALMOST A DECADE. WITH JTPA THE FEDERAL COMMITMENT TO EMPLOYMENT AND TRAINING WAS REDUCED. ALONG WITH A REDUCED COMMITMENT, JTPA HAS SHIFTED THE RESPONSIBILITY FOR TRAINING AWAY FROM THE FEDERAL GOVERNMENT TO THE STATES. IN ADDITION, FUNDS CANNOT BE USED FOR JOB CREATION PURPOSES AND THE PAYMENT OF STIPENDS TO TRAINEES IS SERIOUSLY RESTRICTED.

JTPA IS NOT A JOBS PROGRAM: IT IS A TRAINING PROGRAM. IN IT'S PRESENT FORM THIS PROGRAM HAS SERIOUS INADEQUACIES.

1. COMPANIES ARE NOT REQUIRED TO GIVE ADVANCE NOTICE OF PLANT LAYOFF.
2. ABSENT ARE SAFEGUARDS TO PREVENT "RUNAWAY" PLANTS FROM BEING ELIGIBLE TO RECEIVE FUNDS TO TRAIN A NEW WORKFORCE.
3. BECAUSE OF RESTRICTIONS ON STIPENDS AND ALLOWANCES MANY WORKERS ARE PREVENTED FROM PARTICIPATIN IN THE PROGRAM BECAUSE THEY LACK THE FINANCIAL RESOURCES TO SUPPORT THEMSELVES AND THEIR FAMILIES WHILE IN TRAINING.
4. FUNDS FOR SUPPORTIVE SERVICES ALSO ARE LIMITED. OFTEN THERE

IS A NEED FOR FAMILY AND CREDIT COUNSELING SERVICES OR OTHER FORMS OF ASSISTANCE.

5. THERE IS NO PROVISION FOR HEALTH CARE PROTECTION AND ASSISTANCE WITH MORTGAGE OR RENT PAYMENT DIFFICULTIES.

I APPRECIATE VERY MUCH THAT SOME JTPA FUNDS WERE MADE AVAILABLE BY THE STATE OF INDIANA, AND ESPECIALLY FOR THE UNITED AUTO WORKERS DISPLACED WORKERS, IN SAINT JOSEPH COUNTY. IN MY OPINION, THE JTPA PROGRAM IN SAINT JOSEPH COUNTY HAS BEEN DOING AN OUTSTANDING JOB WITH THE MONEY MADE AVAILABLE TO THEM.

WHILE OUR NONMANUFACTURING BASE IS AN IMPORTANT ASSET, MANUFACTURING IS SIGNIFICANT TO THE AREA'S WELL BEING. MANUFACTURING JOBS HAVE TRADITIONALLY GENERATED HIGHER WAGES THAN NONMANUFACTURING JOBS, WHICH IN TURN CREATE AN INCREASE IN AREA PURCHASING POWER AND LEAD TO SUPPORT JOBS IN NONMANUFACTURING.

ALLIED-BENDIX IS THE LARGEST MANUFACTURING FIRM IN THE SAINT JOSEPH COUNTY SERVICE DELIVERY AREA. ALLIED-BENDIX HAS ANNOUNCED THAT THE CHASIS AND BRAKE COMPONENT DIVISION IN SOUTH BEND WILL BE CLOSED RESULTING IN THE DISPLACEMENT OF 1900 EMPLOYEES. ALTHOUGH SOME OF THESE LAYOFFS OCCURED BEFORE MARCH 1985, THE MAJORITY OF EMPLOYEES WILL BE DISPLACED BETWEEN MARCH 1985 AND NOVEMBER 1986. LOCAL ECONOMIST, DR. JOHN PECK, WHO IS AFFILIATED WITH INDIANA UNIVERSITY, HAS PROJECTED THAT FOR EVERY ONE DISPLACED BENDIX EMPLOYEE THERE WILL BE THREE OTHER WORKERS DISPLACED WITHIN SAINT JOSEPH COUNTY. THIS MULTIPLIER WAS DETERMINED THROUGH A REVIEW OF LOCAL SURVEYS, AND STATISTICAL PROJECTIONS. THE RAMIFICATIONS OF THE RIPPLE EFFECT INDICATE THAT IN ADDITION TO THE 1900 BENDIX WORKERS THERE WILL BE APPROXIMATELY 5700 OTHER WORKERS DISPLACED IN THE COMMUNITY. THIS GENERATES A

TOTAL OF 7600 INDIVIDUALS.

TO MOVE INDIANA FASTER TOWARD FULL EMPLOYMENT AND BALANCED ECONOMIC GROWTH, JOBS MUST BE CREATED IN THE PRIVATE SECTOR AND IN THE PUBLIC SECTOR FOR THE THOUSANDS OF MEN AND WOMEN WHO CANNOT FIND JOBS. IT IS CLEARLY IN THE ECONOMIC AND SOCIAL INTEREST OF THE STATE TO PUT HOOSIERS WHO ARE ABLE AND WILLING TO WORK IN PRODUCTIVE JOBS THAT PRODUCE USEFUL GOODS AND SERVICES, GENERATE TAXES, AND STIMULATE THE ECONOMY, PARTICULARLY IN COMMUNITIES WITH ESPECIALLY HIGH UNEMPLOYMENT.

I BELIEVE THAT IT IS IMPORTANT FOR THE UNITED AUTO WORKERS TO MAINTAIN AN ACTIVE ROLE IN TRYING TO ENSURE THAT WORKERS RECEIVE THE MAXIMUM BENEFIT OF THE DISLOCATED WORKERS PROGRAM - AS WELL AS ALL PROGRAMS UNDER JTPA. AT THE SAME TIME, IT IS IMPORTANT TO PRESS FOR A FULL EMPLOYMENT POLICY COUPLED WITH AN INDUSTRIAL POLICY BECAUSE NO AMOUNT OF TRAINING AND JOB-SEARCH ASSISTANCE WILL HELP IF GOOD, LONG TERM JOBS DO NOT EXIST.

I ALSO BELIEVE THAT OVER THE NEXT TWO YEARS IT IS GOING TO BE VERY IMPORTANT THAT SENATOR QUAYLE TAKE A LONG SERIOUS LOOK AS TO WHAT EFFECT THE JTPA PROGRAM IS HAVING ON THE EMPLOYMENT SECURITY DIVISION, BOTH ON THE NATIONAL AND STATE WIDE LEVEL IN REGARDS TO THEIR RESPONSIBILITY IN JOB PLACEMENT, AND RETRAINING. IN MY OPINION, HAVING BEEN INVOLVED IN THE OLD COMPREHENSIVE EMPLOYMENT TRAINING ACT AND NOW THE JOB TRAINING, THERE COULD BE SOME DUPLICATION OF SERVICES. WHEN YOU DUPLICATE SERVICES, THIS TRANSFERS INTO DUPLICATION OF DOLLARS. IF SOME OF THIS MONEY WAS MADE AVAILABLE TO THE EMPLOYMENT SECURITY DIVISION THERE WOULD BE BETTER SERVICES RENDERED FOR THE DOLLARS SPENT.

THANK YOU.

Senator QUAYLE. Our next panel is a panel of program administrators: Mr. Philip Hoff, Mr. Michael Martin, Mr. John Ferguson, and Ms. Lois Haynes. I think in place of Mr. Hoff, Mr. Melvin Reed. OK. Mr. Melvin Reed is a PIC member and he is the president of the board of directors of the South Bend Community Opportunities Industrial Centers. Mr. Reed, welcome and proceed.

STATEMENTS OF MELVIN REED, PRESIDENT, BOARD OF DIRECTORS, SOUTH BEND COMMUNITY OPPORTUNITIES DEVELOPMENT; BRUCE BENSON [FOR PHIL HOFF], EDS, INC., FRANKFORT; MICHAEL J. MARTIN, PIC MEMBER, ASSOCIATE, SCOTT FINANCIAL ORGANIZATION, WARSAW, IN; JOHN FERGUSON, ACTING EXECUTIVE DIRECTOR, ST. JOSEPH COUNTY JOB TRAINING PROGRAM, SOUTH BEND, IN; AND LOIS HAYNES, PROJECT COORDINATOR, UAW-MADISON CENTER DISLOCATED WORKER PROGRAM, SOUTH BEND, IN

Mr. REED. Thank you, Senator Quayle. First of all, I would like to say I thank you for the opportunity to be here to testify today, and the implementation in the State of Indiana, and more particularly here in St. Joseph County, in regard to the JTPA Program.

As a former member of the Planning Committee of the Comprehensive Employment and Training Act, and the president and founding member of the local Private Industry Council, I have watched the transition from CETA to JTPA with avid interest and admiration.

I would like to join my comments with others whom I am sure have testified before you, or your subcommittee, to affirm that JTPA is working—working very well for a program so new.

Its effectiveness is quite evident here in St. Joseph County, as well as across the country. From the perspective of a PIC member, board president of the community-based organization, and the chairman of the program planning committee, I believe that this level of success is basically due to provisions instilled in the act.

JTPA provides, to a great degree, for performance-based contracting. Simply put, if one does not perform one is not paid.

This provision of earning one's way has produced an efficient and cost-effective system of production among subcontractors.

Further monitoring and evaluation becomes quite simple and thereby reduces administrative overhead. The net effect of the provisions stated above is a reduction in cost. For the act to be continually effective, performanced-based contracting must be encouraged and expanded.

Performance-based contracting allows for a greater degree of competition. Therefore, subcontracting sbould be encouraged under the act. Program providers of demonstrated effectiveness, such as opportunities industrialization centers, 70,001, and other community-based organizations, should be encouraged to be a part of the delivery mechanism in the respective communities in which these programs exist.

Community-based organizations such as OIC serve disproportionally the disadvantaged community. Therefore, their existence in the service delivery mix will ensure that minority population is duly served. I completely support and endorse the 70/30 cost breakout of the act. This model compels the system to subcontract so as to keep down administrative costs.

By subcontracting, the service delivery mix is increased and diversified. The result of diversification is competition which creates increased efficiency, improved output, and reduced cost.

These are all desired goals. Therefore, all effort should be made to ensure subcontracting where it does exist, and increase subcontracting where it does exist, thereby increasing the number of disadvantaged communities helped in their respective communities.

Senator, allow me to further state that the cost-reduction experience under JTPA is not one solely from competition but also from sacrifice. Subcontractors have been performing without increases, and in many cases with a reduction in their basic budget.

Although inflation is no longer a severe economic problem, it still exists, which means that the basic cost centers are growing by at least 3 to 4 percent each year.

Many of these cost factors cannot be postponed or passed on, but the cost factors that can be postponed will be. The obvious cost factors that can be delayed are wages. In some agencies, salaries have not increased since JTPA was enacted. This factor is true in the agency of which I am board president. The net effect of this type of cost reduction is staff burnout.

By maintaining a low staff, or salary, and not filling additional positions, we have been able to survive. I want to talk a little bit about the private industry involvement.

The involvement of private industry has been significant under JTPA. This involvement has resulted in greater concentration on goals and objectives. The business approach to problem solving has been brought to focus on several problems facing employment and training specialists.

The fact that business is involved at the policy management level has resulted in greater confidence in the system by the general business community.

The result of this is that business is more committed to employing trainees from the JTPA Program. I would like to note for the record that this model is directly similar to OIC which started in 1964.

OIC brought together business through an Industrial Advisory Council made up of corporate heads, and a technical advisory made up of middle management. Quite simply, we are using this approach here in our overall programs in St. Joseph County, and I for one find that business has taken ownership of the program, and that business is really what is creating our successes.

DEFICIT REDUCTION

It is my strong belief, Mr. Senator, that JTPA should be seen primarily as a deficit-reduction tool. When a careful analysis is made of the impact of JTPA funds, or the participants it serves, one can only conclude that training followed by placement can only serve to increase economic efficiency.

This year the St. Joseph County Job Training Program, the administrative entity for JTPA funds, and the subcontractors, have placed in excess of 400 disadvantaged persons into employment, paying an average wage of $5.43 per hour. This produces a gross wage income of about $4.7 million.

These are individuals that were once receiving some form of transfer payment from the Government; however, by becoming wage earners they have become contributors to the Treasury of Government.

In one instance, a 20 percent tax base for these individuals. One sees that the tax income to the society becomes roughly $1 million dollars on our assumptions.

This does not take into consideration the transfer payments that was being made. It is quite simple to see the ripple effect by taking these people that are disadvantaged, and employing them, and taking them off the tax rolls and making them taxpayers. The Job Training Partnership Act attempts to reach the disadvantaged in a community. However, contrasts must be made between the new disadvantaged and the old. By the new disadvantaged, I am referring to those who have become unemployed due to structural changes in the economy.

These individuals are usually unemployed for approximately 26 weeks, after which they are reemployed. However, the hard-core unemployed tend to be employed for shorter periods of time and suffer long periods of unemployment, which is only corrected after training in basic education, motivational, and positive work attitude.

Because of these hard-core unemployed, the 90 percent hold harmless clause of the act, which is allowed to the States, should be extended to within State funding. Absolutely essential.

If the 90 percent hold harmless clause is extended to interstate funding, the hard-core unemployed could be better served during periods of relatively stable employment and economic prosperity.

By chipping away at the hard-core unemployed, a reduction in natural rate of unemployment would be achieved, thereby expanding economic frontiers of the national economy.

Mr. Senator, in conclusion, I have but one area of caution, and that area of caution is not so much embedded in the act under consideration, but it concerns public attitude toward the disadvantaged. The disadvantaged are disproportionately minority and more particularly, black. My words of caution are these. Slavery lasted over 200 years to be succeeded by decades of racial discrimination and bigotry. Therefore, the socioeconomic problems created by these phenomenons cannot be expected to be eliminated in a couple of decades.

Adequate time must be allowed, allocated to redress these problems. With these words of caution, I close my comments. Allow me this opportunity to express my gratitude to you for extending the invitation to me to testify. Thank you, Senator.

Senator **Quayle**. Thank you, Mr. Reed.

Next is Mr. Michael Martin, who is a PIC member, and an associate of the Scott Financial Organization in Warsaw. Mr. Martin.

Mr. **Martin**. Thank you, Senator. I welcome the opportunity to testify this morning, and I feel I have somewhat of a unique perspective on JTPA.

When it was first brought into Indiana, I had the unique opportunity of jumping in about neck-deep in that I was lucky enough to be one of the first 24 people serving on the Governor's Advisory Council to bring JTPA into the State.

At the same time I was asked to serve as a Private Industry Council member for the Northern Indiana Job Alliance, and at that time was the chief executive officer of a corporation in one of the communities providing JTPA services.

Because of that background, I have a few concerns that have already been voiced this morning and would like to echo those, and an overall observation about the decisionmaking process, and how its affected the PIC.

First, I would like to echo the concerns of our particular SDA when it comes to a 40-percent drop in funds, especially when the timing of that falls right into the middle of our 2-year plan. That has certainly changed the priorities and the way that the planning committee had prepared the programs for the 2-year period. And the drop certainly changed how we were able to interact with our subcontractors and the goals that they had established.

It has been mentioned a number of times that some type of hold harmless for sub-state allocations has got to be considered. I do not think we can be fair, more importantly to the recipients that we have targeted these programs for, when we cannot assure any kind of continuity over more than a 12-month period.

More general in nature, a comment that affects a number of PIC's refers to the actual appointment process of the private sector people themselves. I guess it is obvious, that at the time CETA was phasing out, that there had to be a rather sophisticated process of getting the initial PIC members appointed.

It is our belief now, that we are in a much different climate as far as replacing PIC members. We have lost them due to transfers and promotions, and a number of other reasons.

It seems a little "antiprivate" sector to think that we have to go through a multistep process to get a good local private sector person onto the Private Industry Council, with a process that ultimately ends up with a decision made in Indianapolis by people that do not even know the individual that we have nominated. I would hope that somehow that process could be streamlined and allow the local chambers, the local public officials, and possibly the PIC, to be involved as the final authorities in those appointment processes.

Another area of concern that a number of the SDA's have would be the area of the categorical funding. It is unfortunate that where your legislation attempted to back the Federal Government's role out, that the State has seen fit to step in and try to fill it. And in many ways, they have put as many constraints on the funds, and how they are used by the SDA's, as CETA had.

It is unfortunate that we have private sector people who are willing to make substantial time commitments and take interest in the program, and then turn around and tell them this is how it has to be.

When I was on the State Council, we had a number of the Private Industry Council chairmen come down and say, "We develop a plan only to find out that you are not going to allow us to implement it," or "The funds do not fit the right categories of what we feel our priorities are."

I think we run the risk that the Private Industry Council, and especially the private sector people, will lose interest if we ask them to come to make decisions and those decisions turn out to be essentially rubberstamps, in order to formalize a process determined outside of the SDA.

We also have a concern in our particular SDA about the incentive funds. Northern Indiana is fortunate in that employment opportunities are available.

However, we find that the hard-core unemployed still need our help, and it is important that you know—to regress a moment—that this is the importance of the hold harmless agreement; to protect the hard-core unemployed.

The irony in the high performance, experienced in many of the SDA's, is that as we exceed all the performance measures, we are offered the incentive funds.

The private sector looks at incentive funds as somewhat of a "bonus." It is profit for doing a job well, and preparing and marketing products.

The irony is that the incentive funds right now have so many strings attached to them that you are better off to be a poor performer in order to get the incentive funds.

The incentive funds require more performance on top of more performance, and you can actually continue to raise your performance standards up to the point that you almost need to fail to bring them back in line.

On the opposite side of that coin, an SDA that has problems and is having difficulty meeting performance standards will qualify for funds out of the same pot labeled technical assistance. They are allowed to use them for a number of things, staff development, innovative programs, et cetera, with no performance standards attached to them.

It seems that things may be reversed. In conclusion, I would like to echo one other thought. JTPA is working. So far this morning, you have heard desires for minor changes or administrative changes, and I would like to recommend that be the only type of changes that we look at. A major change at this point would be unfair to the system. Thank you, Senator.

Senator QUAYLE. Thank you very much, Mr. Martin. Next is Mr. John Ferguson who is the acting executive director of the St. Joseph County Job Training Program here in South Bend. Mr. Ferguson.

Mr. FERGUSON. Thank you, Senator.

Thank you for being here, and I certainly thank you for considering numerous remarks which you will hear from many, many people over these 2 days.

As with elsewhere around the State and Nation, the St. Joseph County area is facing a very difficult transition from old style heavy manufacturing-oriented industry to high-tech and service-oriented business.

The need exists to upgrade the existing skills of, or, to completely retrain in some instances, those persons who would otherwise be lost in that transition.

In cooperation with the Bendix Corp., a firm currently phasing out one of its major local components, the St. Joseph County Job

Training Program has developed a series of services designed to meet the needs of all dislocated workers, not those affected solely by that one plant closure.

We feel that the program was designed as a very, very fine example of private sector/public sector communication and cooperation. We have submitted a grant application to the Secretary of Labor in order to match a $1 million set-aside by the Bendix Corp., and hope to receive quick consideration of this request for discretionary funds. Our local need exists now and we must be prepared to meet it now.

Moreover, we hear with increasing frequency reports that title III funds will be diminished in the next Federal budget. Underexpenditure of presently allocated title III funds is given as the rationale. I would submit to you that this underexpended condition does not exist as a result of overallocation of dollars, or overestimation of need.

Rather, it is the result of the newness of the problem of dislocation, and the developmental process through which we must go in order to learn how to more effectively and efficiently serve this new population of unemployed persons.

I sincerely hope that dislocated worker programs will not be penalized through reduced dollars for engaging in this learning process.

St. Joseph County SDA is mandated to expend 35 percent of its II-A allocation on services to youth. As with many other SDA's, we are finding this mandate difficult to meet. We are confident of our ability to do so but are concerned that the effort required will dilute delivery of services to other needy, unemployed persons. The minimum expenditure mandate is certainly a way of ensuring that employment and training organizations will address the very serious problem of youth unemployment. Employment and training can only partially address the situation, however, and we are constantly seeking linkages with other existing resources to find an ultimate solution to that particular problem.

I have only been associated with JTPA-sponsored programs for a few short months and so I cannot accurately comment on the relative effectiveness of JTPA-sponsored programs as opposed to those sponsored under CETA.

However, I have heard frequently mentioned a concern that CETA was amended so often as to lose its purpose. I would encourage, therefore, utmost care be used when seeking to alter the present legislation. Thank you.

[The prepared statement of Mr. Ferguson follows:]

Congressional Oversight
on the
Job Training Partnership Act

Testimony Presented
Before Senator Dan Quayle

South Bend, Indiana

July 2, 1985

By

John W. Ferguson
Acting Executive Director

St. Joseph County
Job Training Program

St Joseph County
JOB TRAINING PROGRAM
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John Makielski
First Vice President
Private Industry Council

My name is John Ferguson and I am presently serving as the Acting Executive Director of the St. Joseph County Job Training Program here in South Bend. I have only been with this organization for several months after having spent the majority of my working life in Vocational rehabilitation. I have had first hand experience in working for private, not for profit agencies who relied heavily on the use of CETA-sponsored employees. I can speak first hand therefore concerning the relative effectiveness of JTPA related programs versus CETA related programs. I have been very much impressed with the relative effectiveness of this local program as well as the reported effectiveness of other similar programs around the state and the nation.

I am certain, Senator, that you have received many concerns regarding funding levels. Certainly, the availability of consistent and adequate funding is a concern in South Bend also. We recognize that we are only partially meeting the need for training and employment services locally. If we are going to expand to meet the needs of presently unserviced persons, we must be assured that funding will exist. I am not however, going to go into great detail concerning funding. I wish only to register my concern regarding this issue. I would rather spend the available time briefly discussing several other areas which we consider to be critical here in South Bend.

As is the case with many areas around the Nation, we are faced locally with a difficult transition from old style, manufacturing oriented business to high tech and service oriented business. The transition is frequently a painful one and often results in old skills no longer being applicable to the available jobs. The need exists for retraining persons whose skills have been antiquated and who in all likehood have been released from their present positions or are facing an impending layoff. The St. Joseph County JTP has been working very hard in the last several months at developing a comprehensive series of services which we can offer to dislocated workers. Our underlying philosophy has been that we are just as concerned with the two (2) or three (3) people who lose their jobs at the corner hardware store as we are with major plant shutdowns. We have worked very hard with representatives of the Bendix Corporation in putting together a cooperative and coordinated Dislocated Worker Program. This program will serve not only the needs of Bendix workers who will be dislocated as a result of a plant phase out, but will also address the needs of other dislocated workers in the community. We feel that this effort has been a good example of how the private sector and public sector can work together on a project to serve the needs of unemployed persons. Obviously, if this effort is going to continue, we need adequate funding. The JTP has submitted a grant request to the Department of Labor. The request is for $1.8 million and will be used in conjunction with a $1 million set-aside from Bendix. Given the immediacy of this plant phase out, we strongly request a quick review by the Department so that our services may be provided in a timely fashion. We have also heard reports that Title III funding levels may be dramatically cut in the future. This would obviously have a disasterous affect on our ability to provide services to those effected by dislocation, a phenamenan which we would invision as continuing locally for the foreseeable future.

Another area of concern which we are addressing currently is our service level to youth. Jobs that once were readily available to unskilled and inexperienced young people are rapidly disappearing. The long term solution probably involves improved linkages between the business community, employment and training programs, educational institutions and other human service groups. Any such solution which seeks to better prepare young persons for the world as it exists will be difficult to find.

We are mandated in this SDA to expend 35% of our IIA dollars on services to youth. While we are finding this service level difficult to attain, we are confident that we will be able to make the necessary program changes and become more effective in serving more youth. We are currently examining our existing mix of services to determine what alterations we might make so as to be more attractive to out of school youth. This array of services might well result in the implementation of some combination of work experience and/or subsidized job opportunities with remedial basic education, vocational training job search training, etc. We are also working with in-school youth through our Indiana Graduates at Work Program. This is a program currently being offered in four (4) local high schools. It provides us with an opportunity to identify young persons in their senior years who have no present intention of furthering their education. A part of their senior year classroom training then involves meeting with our staff to discuss work and work related subjects. The goal of IGAW is to smooth the transition from school to work. We are also providing services through an exemplary youth program. We are identifying minority youth with multiple barriers to employment and emphasizing basic skills development along with job placement. Computer assisted, competency based instruction is offered.

Thirdly, we need to establish stronger linkages with various economic development efforts presently underway in St. Joseph County. We currently have relationships with these groups, but would like to develop the linkages to a greater extent. We feel that JTP has some obvious training and employment benefits we can offer to economic development so as to make St. Joseph County as attractive a location as possible for expanding or new businesses.

I thank you for your attention and would be happy to answer any questions that you may have.

Senator QUAYLE. Thank you very much, Mr. Ferguson.

Next is Ms. Lois Haynes, the project coordinator, UAW of Madison Center of the Dislocated Worker Program here in South Bend. Ms. Haynes.

Ms. HAYNES. Thank you, Senator. I appreciate the opportunity to be here today and to add my testimony to those of others. I find myself in rather a unique situation since our program does not fall under the local PIC or JTP.

The project itself is a unique blend of a mental health center which is responding to community needs, the UAW responding to member needs, in conjunction with the State of Indiana.

I would like to add my comments to the support of the Job Training Partnership Act. I was familiar with the old CETA Program. I find this a great improvement, and would also urge that amendments not be considered hastily.

Our program began in February of 1984 at the Torrington plant which had announced its closing. One of the benefits we learned from that program was the importance of starting a program within the plant facility itself.

In other programs where this was not done, participation of eligible members was very low. For Torrington it was 45 percent. Later in the year, August, we expanded our program from strictly Torrington to the county, and began a recruitment process throughout St. Joseph County for dislocated UAW members.

Our recruitment efforts were much more difficult for those who were no longer employed within a plant. Torrington definitely did have some benefits.

I would like to talk briefly about some of the things that we have learned over the year and a half, which I feel are very important to the success of the JTPA.

I would like to stress the importance of the on-the-job training program. When we began our program at Torrington, we found that on-the-job training was not essential.

Many of the workers there had skills and were able to go directly into unsubsidized employment; however, for the countywide participants, there has been a definite change in the skill level, and the experience that they have had.

And we find that on-the-job training is much more significant for that broader group, and in the past 2½ months, have actually written about 25 on-the-job training contracts which are enabling an upgrading of skills of many of the participants, bringing them into the areas of computer and high technology. I would like to urge though, that consideration be given to the terms of the on-the-job training contract, that there be a close monitoring of the contract, in terms of the client's qualification and the employer needs, that it not be, according to the specific vocational preparation guidelines used by the Federal Government, that there be other factors considered at the same time.

I would also like to stress the importance of the supportive services area. We have found that—and it has been shown in studies throughout the country—the stress factor in unemployment affects the participants physically, and mentally, and financially.

One man came into our office and said, "I have 10 days in which to raise $3,000 or I lose my house." It was rather overwhelming at the time, and in the end, it was too late to save his house. We could do nothing other than provide temporary support and services.

In another situation, a couple came into our office, both enrolling, both having been laid off from the same plant. This was just about a month ago. She was extremely angry, visibly so, to the point where no employer would willingly have hired her because of her attitude.

One of her comments was that she could not go back into a plant setting, she was so angry, that if something went wrong she might kill someone.

Her husband expressed his understanding of those who are able to kill their families and then commit suicide because of their desperation. They were both immediately referred for counseling.

We have had several cases at Torrington of suicides. We know that we have prevented numerous suicides. We have dealt with depression, anger, alcoholism, marital problems.

We feel that there is a gross oversimplification in the idea of job match, that mental health counseling is essential.

Other concerns are with short-term funding. It is extremely difficult to plan, and to retain credibility with workers and employers.

We would also like to encourage interstate cooperation. There are many Michigan-area employees in South Bend-Mishawaka. We currently are not allowed to enroll them in our program, and since these are originally Federal funds, I would hope that some effort would be made for cooperation between States.

I think justification for the program is evident in both human and monetary needs. If you use our average wage per placement of $8.21, you can calculate an economic benefit cost ratio of $2.71. For every dollar spent on an individual placement, the return in State and Federal taxes is $2.71. I would again like to add my support to the Job Training Partnership Act, and thank you for allowing me to testify.

[The prepared statement of Ms. Haynes follows:]

Testimony of

Lois M. Haynes

Project Coordinator

UAW/Madison Center Dislocated Worker Project

Labor and Human Resources Committee

United States Senate

July 2, 1985

I have been asked to address the specific issue of how the Job Training Partnership Act has affected me and those with whom I work. First it is necessary to provide some general background information. Then I will focus on the particular segments which are the most significant in serving the dislocated worker.

I would like to begin by stating not only my wholehearted support for the Job Training Partnership Act but also my belief that it should be continued and if possible expanded.

Madison Center recently completed 35 years experience serving St. Joseph County in the mental health field and has recently expanded services to meet community need with specially designed programs such as the Dislocated Worker Program.

The dislocated worker syndrome is not new to the South Bend-Mishawaka area. According to statistics furnished by Indiana University South Bend Labor Studies Department, there have been 26 plant closing announcements since 1969. Additional data from the Employment Security Division indicated that the heaviest employment losses between 1979 and 1983 were in the manufacturing sector. In addition to plant closings, the effects of automation have begun to be felt as well.

In response to a recognized need, funds were made available to the dislocated worker in early February, 1984. Initially known as The Torrington Outplacement Project, the pilot program was designed to provide services to UAW workers who had been laid off from The Torrington Company, a Division of Ingersoll-Rand. At its peak Torrington had employed over 1000 individuals, 700 of whom were UAW plant employees. But as early as 1982 a phase down had begun although formal closing announcement had not been made. And by the start of our program the employment level within the plant had been reduced to less than 150. While the program was designed mainly to serve UAW workers, assistance was also provided to salaried personnel. The program began at the Torrington plant before it closed. The benefits for starting at the plant were seen in the 45% enrollment figures (45% of those eligible enrolled in the program). Reasons for this may be found in the familiarity workers had with the facility and with those operating it.

The Torrington program also benefited from the in kind services provided by the company. These included use of the facilities, personnel, postage, and some training money. I strongly recommend that dislocated worker projects be conducted on plant premises in order to obtain maximum participation.
In August of 1984 our program was modified to include UAW dislocated workers throughout St. Joseph County.

For both programs the services provided have been basically the same, including components in job search skills, educational training, vocational training, on-the-job training, supportive services and job development. While the pilot program provided us with much data on serving the dislocated worker, it became apparent as we enrolled the county-wide clients that their needs differed somewhat from those of the Torrington workers. While the major emphasis continued to be on providing data in job search techniques, the importance of components in on-the-job training, vocational training, and supportive services increased.

On-the-job Training

For the skilled workers of Torrington on-the-job training (OJT) was not essential. The majority of workers had skills which enabled them to obtain unsubsidized employment. In the county-wide program many of the workers have limited skills or skills which are not in demand within the labor market. For the latter group, the OJT has become a major factor in securing employment. From the employers point of view there are both pros and cons to the OJT issue.

Cons

- A previous bad experience with CETA program
- Dislike of red tape
- Dislike of any kind of government subsidy

Pros

- Opportunity to train an individual with some skills and a previous work history
- Capability of upgrading an individual's skills for new technology
- An incentive to hire the older worker - we have placed individuals up to 61 years of age
- For companies moving into the area a resource which allows retraining according to employer needs

From our point of view the OJT, in the past three months particcularly, has become one of the major ways of placing the dislocated worker. (Since April 15 we have written 27 OJT contracts with several prospective employers awaiting finalization of funding.) In two cases the workers placed came from inspection backgrounds which provided the basis for an OJT in computerized quality control. In one case a career change was possible from a plant background to a salaried position as an industrial sales representative. In another the employer proposes training the individual on new equipment which has not been used in the state of Indiana to date.

One area of potential concern involves the guidelines for the duration of an OJT contract. Currently guidelines are centered on the Specific Vocational Preparation data furnished by the Federal Government which is based on Department of Labor DOT codes and job descriptions. While the need for a basic guideline is apparent, consideration must also be given to the trainee's skills and experience and the employer's needs. In some cases a trainee may have skills directly transferable to his new position and may need minimal training - less than is indicated in the SVP.

Overall we see the OJT as indispensible and encourage increased emphasis on this resource while at the same time closely monitoring the terms of each contract. While recognizing the need for general policy, we also feel that a thorough assessment must be made of each client's experience and skills as well as of the employer needs.

Vocational Training

For the Torrington employees vocational training was limited in scope with the main emphasis on Statistical Process Control classes in response to employer demands. To date we have offered three classes in Statistical Process Control through the Indiana Vocational and Technical College. Just yesterday one of our program participants hired for assembly at A.M.General called to tell us that because of his training in SPC he was instead being given a position as Quality Control Inspector.

With the county-wide program we have seen an increased need for training due to several factors:

- Lower skill levels
- Changes in labor market demand in the manufacturing area
- Changes in technolcgy
- Experience limited to a particular company need

We were originally directed to emphasize short-term training. In some cases this is appropriate; however, for many program participants with lower skill levels longer term training may be needed. For someone who has only done assembly, visual inspecting, or hand grinding, the labor market is very limited.

The significance of appropriate training for the dislocated worker cannot be disputed. Care must be taken, however, to match client skills and abilities with labor market demand.

Supportive Services

Studies done across the nation and more locally in Michigan and Indiana indicate that problems of the dislocated worker go far beyond simply finding a job. Indeed, finding a job is greatly influenced by factors having nothing to do with the labor market.

The significance of the physical and mental health of the worker and his family, as well as financial considerations, may sometimes be overlooked. In our year and one-half of operation we have become increasingly aware of the need for supportive services.

Many dislocated workers were employed for twenty years or more by the same company. They never had to look for a job or ask for help. For many it is overwhelming to think that they might need help - they don't want to take charity. For this reason many try to make it as long as they can on their own and by the time they come to us they are in extreme financial need. It has become common for me to call utility companies, banks, and mortgage companies to keep people from losing their homes, cars, and utility services. One man walked into our office and said, 'I have ten days in which to raise $3,000 or I lose my house.' Others lack food or medication. They are too proud to apply for food stamps or find the hassle so degrading that they would rather starve first. High blood pressure is not uncommon in the stress of unemployment, but many clients are unable to pay for prescriptions or for the doctor's visit required to renew the prescription. We coordinate our efforts with local agencies but they also are strained to the limit financially and can supply only limited help.

While these are not the traditional concerns in putting people to work, they need consideration, for they are definite barriers to employment. Moreover, they have mental and physical effects on the individual.

Shortly before the Torrington Company closed, a plant employee came into my office. In response to my question, he replied that things weren't going too well and that he often wondered if it would be simpler to use the gun on his bedside table to end all his problems.

A month ago a man and wife enrolled in our program after both had been laid off by the same company. The wife was visibly hostile--angry at everyone. She told me that she couldn't go back to work in a plant--that she might kill someone if something went wrong. Her husband, in the same interview, expressed his understanding of an individual who could kill his family and then take his own life.

Both of these cases are somewhat extreme, but an immediate response was needed to the obvious pleas for help and I referred all of the individuals to Madison Center for counseling. They illustrate the effect that unemployment can have on the dislocated worker and the need for a special emphasis on mental health counseling as part of a dislocated worker project.

It is a gross over simplification to believe that the only purpose of a job training program is to match jobs and workers. The human factor cannot be overlooked. even if the problem is looked at only in terms of the job search, one cannot forget the importance of communication--both verbal and non-verbal. If what a job applicant communicates to a potential employer is anger, depression or despair, there is little likelihood of him being hired.

Other supportive services essential to the dislocated worker include financial counseling and stress management classes.

My comments to now have related to specific program components. Some concerns also exist about program regulations.

Other concerns involve the need for interstate cooperation especially with Michigan residents who have worked in Indiana. We have experienced seesaw decisions as to whether or not we could enroll Michigan residents. Currently we cannot. A few days ago a Michigan resident came to inquire about our program. When we informed him we could not provide services he cried.

Of additional concern is short-term funding which makes it impossible to plan effectively and to establish credibility with workers and employers. Not knowing whether our program would be extended beyond June 30 of this year has caused numerous problems.

Summary

Again, I stress my support for the JPTA. Justification for its continuation may be found in the following. The average wage per placement in our program at the end of May was $8.21. Using this figure with our average cost per placement an economic benefit cost ratio can be calculated at $2.71. In other words, for every dollar spent on a dislocated worker placed in a job there is a return in state and federal taxes of $2.71.

The benefits of the JTPA are clear in both monetary and human terms.

Senator QUAYLE. Thank you for your testimony, and good luck with your project.

The final panel member is Mr. Bruce Benson. Mr. Benson.

Mr. BENSON. Thank you, Senator. I would like to thank you for the opportunity to testify this morning and I do so on behalf of Phil Hoff, the president of Employment and Developmental Systems who is ill and unable to be here this morning.

EDS is currently the grant recipient and administrative entity of the Northern Indiana Job Alliance as well as a service provider in two different areas throughout the State, and so the comments that we would like to share this morning in the form of testimony come from a program administration, program management perspective, as wearing a number of different hats under JTPA.

I would like to echo, if I may, some of the points that have already been brought out. As has been stated, we operate under a 2-year job training plan, and we have experienced a 39-percent reduction in funding coming into this program year, and to provide for stability and continuity of service. We would like to recommend the consideration of a 90-percent hold harmless for sub-State allocations. We would also like to suggest that there be certain parts of youth programming that be examined for possible elimination or a reduction of some of the restrictions, to facilitate a little bit easier use of youth programming with out-of-school youth and under Youth Exemplary Programs.

We would also like to suggest that there be a reduction in the categorical approach to programming, possibly forming one large title to be the umbrella for all of the different services that would be provided under JTPA; therefore, there being one set of program or administration guidelines, which would certainly make the program management aspects of JTPA a lot easier.

As a positive comment, we would like to commend the architects of the legislation, particular for having the foresight and bringing the private sector in in the format that it has. We have really appreciated the many ways that the private sector has been helpful in policy development, in helping us increase community awareness and policy decisions, increasing the efficiencies of the service-providers and the program operation of our role as grant recipient and administrative entity.

And overall, we would like to see that there would be, as has been said before, not great changes made in the law at the present time. We feel like it is in its infant stages in a sense, and is growing, and is doing really good things, and we would like to see it continue. Thank you.

[The prepared statement of Mr. Hoff follows:]

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GOSHEN, IN 46526
PH [illegible]

NIJA
NORTHERN INDIANA JOBS ALLIANCE

TESTIMONY TO THE SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY FOR THE LABOR AND HUMAN RESOURCE COMMITTEE REGARDING JOB TRAINING PARTNERSHIP ACT

TESTIMONY BY:
PHILIP M. HOFF, PRESIDENT
EMPLOYMENT AND DEVELOPMENTAL SYSTEMS, INC.
P. O. BOX 785
FRANKFORT, INDIANA 46041

SERVING: ELKHART KOSCIUSKO LAGRANGE & MARSHALL COUNTIES

Chairman Quayle and Subcommittee Members:

Thank you for the opportunity to testify regarding the Job Training Partnership Act. Employment and Developmental Systems, Inc. is currently the Grant Recipient/Administrative Entity for the Northern Indiana Job Alliance Service Delivery Area. In addition to this, EDS is a Service Provider for three (3) counties in the Circle Seven (7) Service Delivery Area, three (3) counties in the Tecumseh Area Partnership Service Delivery Area, and Grant Recipient for the Title IVC Veterans Employment and Training Program. This testimony is based upon those experiences that EDS has had since the inception of JTPA.

Currently, we attempt to plan for a two (2) year period, but allocations are only available for one program year. The funding problems are further compounded by:

- Different funding cycles for the Title II-B program.
- One year funding for Veteran's Title IVC.
- Uncertainty of funding levels.
- Matching requirements under Title III.

For example, in the Northern Indiana Job Alliance SDA, Title II-A funds were reduced 39% from 1984 levels due to a loss of eligibility of 1/3 of the formula. NIJA SDA dropped below 6.5% unemployment (due to cyclical employment) which is the cut off for funding under the definition of area of substantial unemployment. As Grant Recipient/Administrative Entity, this type of reduction restricts our ability to assure continuity of services to participants and employers. It is difficult for us to enter into any long term commitments to Service Providers as well as businesses who seek our assistance. When funding levels are relatively consistent from year to year, innovative steps can be made to work as partners with business.

RECOMMENDATION: EDS recommends that legislation provide a 90% hold harmless for sub-state allocations.

Thirty-seven (37) percent of NIJA's funds are earmarked to operate Youth Programs, the purpose of which is to enhance job prospects and career opportunities for youth. The youth employment and training programs provide a variety of employment and training services to in-school and out-of school youth to enable them to secure unsubsidized employment in the private sector. The difficulty in providing a range of services becomes apparent with the restrictions placed on Work Experience program options and the limitation of exemplary youth programs (Section 205) to in-school youth.

RECOMMENDATION: Remove the hour restriction and cost category restriction for youth in Work Experience type programs. Also, remove the limitation of services to exclusively in-school youth in exemplary programs. Allow these programs (Section 205) to be available to all youth regardless of the educational status.

The overall thrust of the employment and training system for the past ten (10) years has been a categorical approach to services. This type of approach is becoming the trend under JTPA: restrictions and requirements for Title III, Title IV, Title II are all different and have distinct administrative requirements. This approach is in conflict with the "intent" of block grants. Service Delivery Area Private Industry Councils who desire to move more toward subcontracting for participant projects with Community Based Organizations that would integrate, augment and support local efforts to avoid duplication of effort and maximize the use of JTPA dollars are confronted with:

- Increased administrative burdens.
- Restrictive flexibility of services to participants.
- Prevented from taking an active pro-participant stand.
- Forces the PIC to evaluate services based upon "what programs can be operated that will meet the performance standards".

The intent of the legislation was to allow local communities to take the lead role in program development, based on their evaluation of the trends in the economy.

RECOMMENDATION: Administer JTPA as intended: Block grant the allocations at the State and sub-State level. Remove the restrictive requirements of Title funding.

Performance Standards, as well as the 6% set aside of funds for Incentive/Technical Assistance Awards are earmarked toward good performance. The standards, as viewed by the Department of Labor and the State, are a safeguard to evaluate local Service Delivery Area performance. Is the intent of the law and the Act being fulfilled? Currently the structure of performance standards coupled with the incentive funds:

- Reflect a wage level much greater than entry level.
- Encourage non-performance: the better an SDA performs the more funds they receive that will be evaluated against a stricter standard.
- Non-performance equates to:
  a. No restrictions on funds earmarked toward staff development.
  b. Have no performance standards attached.
  c. Allows SDA's to reward staff (i.e., technical assistance and staff development for) performing below an "acceptable level".

RECOMMENDATION: Re-evaluate the method of calculating performance standards (regression model) and allow SDA's who receive incentive funding to identify the activities for which these funds will be used. Earmark Technical Assistance funds to administrative assistance and systems analysis.

Plant closures, long term unemployment and lay-offs are imminent in each Service Delivery Area. However, obtaining Title III funds to assist these individuals is burdensome.

First, Twenty-five (25) percent of these funds are allocated on the Federal level and obtainable only through competitive application (25%). The State and SDA's are uncertain as to what, if any, services can be provided.

Second, the funds allocated by formula on the sub-State level require a match. This match discourages SDA's from participating.

Third, pre-intervention activities are critical to workers facing lay-off. However, the process of obtaining funds does not support this approach.

RECOMMENDATION: Relief from the match and a better understanding of the congressional intent (flow of dollars to the SDA) will assist in the implementation of this program.

It has long been recognized by all segments of our society that four (4) out of five (5) job openings are in the private sector of our economy. Therefore the retention and expansion of private sector businesses, resulting in continued or new job openings for an area, are obviously in the best interest of JTPA clients and SDAs. Congress recognized this and the law is written to encourage use of JTPA funds for local economic development activities which fall within the scope of JTPA regulations.

For JTPA purposes economic development must be defined in terms of job creation and retention. This definition facilitates a business-like marketing approach by Private Industry Councils. Their (PIC) product is participants. Both community and businesses prosper by:

- Expansion of existing businesses.
- Development of new business.
- Creation of new jobs in which JTPA eligible persons could be employed.
- Retention of existing businesses thus preventing the loss of jobs to the local economy.

The purpose of the Job Training Partnership Act is to provide training and employment opporunities to increase the earned income of economically disadvantaged unemployed and underemployed persons. In addition to targeting services to economically disadvantaged persons, there are other groups of persons who have traditionally experienced difficulty in entering the Labor Market and for many reasons have not had equal access to employment and training opportunities. These groups are referred to as "target" groups and they include: disabled vietnam-era Veterans, recently separated Veterans, older workers, handicapped and welfare recipients.

In addition to those designated groups, local SDAs have the responsibility to determine those most in need of services. Title IVC funding which assists the Veteran in a number of ways is a competitive grant awarded on a year to year basis to service this target group. Model, innovative programs with new approaches can be developed and funded but only for a twelve (12) month period. If these programs prove successful, it becomes difficult for SDAs to incorporate them into their programs.

RECOMMENDATION: Allocate funds on a two (2) year basis to be used in conjunction with the SDAs to provide services to this target group.

JTPA's short lifetime has already documented success. The employment and training system has been integrated with the private sector. The employment and training system has developed programs which involve active participation of the education system and private sector. Managers are becoming more cost effective and have organized their staffing arrangements so as to facilitate the most services to people. One NIJA contractor has piloted a "one-stop shop" approach. This organization houses:

- IESD Job Services
- Indiana Rehabilitation
- Job Training Partnership Act Service Provider

Emphasis has now been placed on facilitating closer working relationship between such agencies and the employment and training system.

I think the above recommendations represent a reasonable balance between an economic development thrust, increased emphasis of the needs of targeted groups and recognition of the need for continuity of services. We believe there is sufficient flexibility in the above recommendations such that each SDA can develop training programs which result in unsubsidized employment.

Finally, although we have recommended that certain administrative changes be enacted, it is our strong opinion that JTPA is still in the development stages and therefore major amendments to the Act may result in negative consequences.

Again, thank you for the opportunity to present our views to you and your committee.

Senator QUAYLE. Thank you very much, Mr. Benson.

Well, I can just make these points of observation: That each one of the members of this panel has brought through very clearly that we ought to monitor, and there is perhaps some fine tuning of the legislation, but strongly suggesting that there should not be major changes; that one of the worst things we can do is to go in and try to make major corrective surgery and only complicate the situation and make it worse.

I believe program stability is in fact exceedingly important. I also think that this panel, a number of you brought up the point of this loss of funds in this service delivery area, and I think that when we return, and one of the things that has been brought out today, and it will be a part of the record and something that we are going to take a look at and see if we can correct, is this, you know, dramatic shifts in the funding formula.

It is all part of the formula. Basically it drives the formula. Much of the formula is the unemployment rate, which is a major criteria, we ought to use that criteria, but we should not have radical shifts, you know, from one year, getting cut back 40 percent or 37 percent, or something like that because it just hurts the program.

I think that the suggestions that have been made here, as far as a hold harmless provision, is one that looks like, certainly, a very good starting point, and one that I will certainly take to heart.

I also might comment, and as Mr. Martin suggested, that perhaps the Federal Government is not interfering in a lot of the bureaucracy, but they are having some problems with the State, and I would only say that if we can get some of the specifics, I will be glad to forward on it, not only to this State, but anywhere, because that was not the intent of the legislation.

You know, we really want to get the operation of this program down to the local level and to let the local people make that decision and have as much flexibility as we possibly can.

So if there are some cases and regulations, or whatnot, please bring them to my attention, and we will certainly follow through on them and try to get some correction action.

I want to thank this panel for a very good testimony and, you know, some very important points, and points that I will certainly remember, it is part of the record, and your written testimony will be incorporated into the record and obviously the spoken testimony will be part of it as well. Thank you very much.

Our final panel today is a panel of employers and trainees. Mr. Frank Rader, Mr. Ed Krebs, Mr. Melvin Bye, Mr. Charles Graham, Ms. Gloria Jablonski, Mr. Randy Pease.

Mr. Frank Rader.

STATEMENTS OF JOHN DAFFARA, DALTON FOUNDRIES, WARSAW, IN; MELVIN C. BYE, VICE PRESIDENT, EMPLOYMENT TRANSITION CONSULTANTS, INC., SOUTH BEND, IN; CHARLES GRAHAM, PRESIDENT, BEARING REPAIR SPECIALISTS, SOUTH BEND, IN; GLORIA JABLONSKI, TRAINEE, SOUTH BEND, IN; AND RANDY PEASE, PERSONNEL MANAGER, AM GENERAL, MISHAWAKA, IN

Mr. DAFFARA. Frank Rader is not here. John Daffara. I finally made it.

Senator QUAYLE. Oh. OK. John, do you want to go ahead and proceed at your pleasure.

Mr. DAFFARA. All right. I'm representing Dalton Foundries. The Dalton Foundries, Inc., is an independent producer of precision gray iron castings servicing industrial manufacturers of off-the-road equipment, refrigeration, air conditioning, hydraulics, and appliance industries.

The Dalton Foundries, Inc., was introduced to the on-the-job Training Partnership Act in May 1984 through the Job Center of Kosciusko County located at the Cardinal Center, Inc., in Warsaw, IN, and, by the way, we invite you there. Local management, in conjunction with Jane Green, vice president, program director, and Christine Tinkey, coordinator of the Job Training Partnership Act cooperated in every way to ensure that the benefits and the administration of the act was applicable to the Dalton Foundries, Inc.

With their assistance, very little administrative work was involved. Recordkeeping for the company amounted to approximately 1 hour per week, logging each participating employee's work hours on the monthly progress report and invoice used for State and Federal auditing purposes.

The program required 500 hours of training for the new employee and direct reimbursement and tax credit for the Dalton Foundries, Inc.

Our employment needs were approximately 15 to 30 permanent people who could qualify, after training, as casting finishers.

Their job entailed deburring castings ranging in weight from one-half pound to 250 pounds. These new jobs were incentive-paid and critical to the normal operations of the company, but a costly operation requiring extensive employee training periods ranging from 1 to 5 months.

Our base starting rate was $8.24 per hour but because of the provisions of the Job Training Partnership Act. the wages were supplemented at 4.12 per hour during the 500 hours of training.

From the start of the program, May through November 1984, because of unanticipated growth, the Dalton Foundries hired 150 new hourly employees. Fifty-nine of these employees were determined eligible for tax credit and on-the-job training reimbursement by our local Kosciusko County job center.

Eligibility was determined in accordance with the provisions of JTPA, 37 of the 59 employees hired completed their allocated time, that is, 500 hours. To date, 35 employees of the 59 eligible under JTPA are still employed.

The Dalton Foundries encourages continuation of the program because it has been a successful experience not only for the newly-hired employee but for the Dalton Foundries.

The benefits of this program are as follows, as we see it from a small businessman's standpoint.

First, the local job center, because of their responsibilities under JTPA, helped us to fill our employment needs in a timely manner.

Second, the program encouraged employment of local applicants who might not otherwise have applied. Many of these applicants were the hard-core unemployed, handicapped, Vietnam veterans, and welfare participants.

By employing these individuals, State unemployment compensation was reduced as well as welfare payments in the Kosciusko County.

Third, receive financial reimbursement to help reduce our out-of-pocket training cost.

Fourth, receive tax credits to encourage long-term employment of these applicable employees.

In conclusion, the reimbursement on the job training program for the 59 participants amounted to approximately to $94,000 to the Dalton Foundries, Inc. Although the retention rate, 35 of 59 is only 59 percent of these 35 employees still employed, and who completed the allocated training hours, accounted for 72,000, or 77 percent of the total $93,000 received.

In addition, for 1984, the Dalton Foundries received $15,000 of tax credits under the Federal targeted job Tax Credit Program and approximately $5,000 under the State Tax Credit Program.

These credits are estimated to be 6,000 for Federal tax job credits, and 7,000 for State tax credits for the year 1985. Thank you.

Senator **Quayle**. Thank you very much, Mr. Daffara.

Next is Mr. Melvin Bye who is vice president, Employment Transition Consultants here in South Bend. Mr. Bye.

Mr. **Bye**. Thank you, Senator. I appreciate the opportunity to be here to testify.

You have heard today quite a few mentions of the Allied-Bendix situation. I would like to add a few additional comments to that.

Allied-Bendix announced in November 1984 that the manufacturing operations of the automotive division in South Bend would be phased out resulting in the displacement of approximately 1,900 employees.

To date, approximately 550 of these workers have been displaced. Those currently employed will be displaced by November 1986.

Bendix is the largest manufacturing firm in the St. Joseph County SDA. Their industrial classification is transportation equipment which has experienced a 10-percent decline in employment between 1979 and 1983 in St. Joseph County.

Since 78 percent of these affected workers are in fact unskilled, significant retraining is needed. The Allied Corp. negotiated a plant closing agreement with the Local 9, UAW, and have reserved $1 million to support this training and reemployment services to Bendix dislocated workers. Allied Corp. has retained the consulting firm of Employment Transition Consultants [ETC], to develop and administer a training program for the Bendix workers.

ETC has recognized the present dislocated worker services offered locally through the St. Joseph County JTP. In efforts to coordinate the Bendix program with JTP's community effort, Bendix and ETC representatives have met extensively with the JTP staff and PIC representatives. All parties have agreed to a completely coordinated dislocated worker program to serve both the Bendix employees and the non-Bendix employees laid off due to the ripple effect.

Existing resources available through JTPA title III formula-allocated funds, and the Bendix reserved fund are not adequate to offer the full line of services required by all displaced workers in the SDA.

Therefore, a grant application for Secretary reserve funds has been submitted to the Department of Labor. These funds would support a completely coordinated private/public sector effort. This coordinated program is to be administered by the ETC and JTP.

This program design was chosen to avoid duplication of services and to most effectively serve the dislocated workers of St. Joseph County SDA. Program activities will include outreach, orientation, assessment, employment counseling, remedial education, vocational training, job search skills workshops, on-the-job training, retirement counseling, and supportive services.

This comprehensive program stresses early intervention, as significant numbers of Bendix employees are receiving layoff notices in June and July of this year. On site Bendix orientation sessions were completed June 24.

Outreach letters were mailed to 200 Bendix-dislocated workers on June 14. Since then, over 50 have already requested and have been scheduled for services. An additional 150 Bendix employees are being dislocated in July and August.

The need for the services is urgent. For this program to proceed as planned, timely review of our grant application by the Department of Labor is essential. Thank you.

Senator **Quayle**. We will assist in that, in making our words of support known.

Next is Mr. Charles Graham who is president of the Bearking Repair Specialists here in South Bend. Mr. Graham.

Mr. **Graham**. Thank you, Senator. I appreciate the opportunity to comment on the benefits of the JTPA Program. My name is Charlie Graham. I am President of the Bearing Repair Specialists located at 3502 West Sample Street in South Bend.

The three principal partners of this company were formerly employed by the Torrington Bearing Co., which moved their manufacturing facilities from South Bend to the Sun Belt.

Torrington had been manufacturing antifriction bearings on the West Sample Street for some 50 years. We three chose not to move with the company, feeling a need for an anti-friction bearing repair facility in close proximity to the steel mills and paper mills in the northern part of the country.

We decided to start our own bearing repair business. With our diversified background in industry, we felt it was a natural thing to attempt.

Also, from a work force standpoint, the closing of the bearing manufacturing plant left many good and competent people without a job, or a prospect of obtaining one. The startup of any business, as we were warned, and can now testify to, is most trying, to say the least. There are so many facets to consider. One is to obtain the business and another is to obtain and train the people to perform the tasks.

The JTPA Program has been most helpful in our endeavor. Not only have we benefited as owners, but certainly as important, from the humanistic viewpoint, the individual has benefited from gainful employment, and therefore, so did the community, State and Federal Governments.

By providing those individuals an opportunity to help themselves, who had been forced out of work due to plant closing, indicates to us our State and Federal Governments can cooperate with the private sector for the benefit of the working man through a plan such as the JTPA.

We were able to hire four Torrington employees who were specialists in their employment at Torrington, and expand their talents and capabilities within the framework of the antifriction bearing industry.

With the assistance of JTPA, we have been able to take a small group of individuals, highly skilled in certain areas of bearing manufacturing technology, and broaden their knowledge and capabilities by on-the-job training. We have shared these individual's knowledge of other aspects of what bearings are about, of how a bearing is disassembled, what to look for when repairing, and how to reassemble. Grinding operators became knowledgeable about machining, machinists became knowledgeable about grinding. With a small work force, starting out, it was essential that we have such versatility.

The JTPA Program assisted in that area by on-the-job training. In summation, we appreciate the foresightedness of those who worked to put this program together, and those who are carrying out the responsibilities of the day-to-day requirements.

We would like to add, that while the JTPA Program is a step in the right direction, more needs to be done specifically to assist businesses starting up.

We three have an investment in our company in excess of a quarter million dollars, backed by second and third mortgages on our homes and with SBA backing.

As a startup company, the only assistance we qualified for was JTPA on-the-job training, which amounted to less than 4 percent of our investment.

We are not talking about handouts, just some type of financial assistance. In our city, to have employees, we need employers. Thank you.

Senator QUAYLE. Thank you very much, Mr. Graham.

Next is Ms. Gloria Jablonski who is a trainee here in South Bend. Ms. Jablonski.

Ms. JABLONSKI. Thank you very much for inviting me. My name is Gloria Jablonski. I am service manager at the present time at Veldman's Tire and Equipment Co. here in South Bend.

In that capacity, I manage a three-bay lawn equipment service repair shop and a two-bay automotive repair shop. I have the privilege of being the fourth woman graduate with an associate in applied science degree in automotive service technology from Indiana Vocational Technical College here in South Bend.

Before attending this hearing I read copies of former testimony given regarding the JTPA Program and in these I found something very interesting. The fact that mentioned as part of the management strategy behind the program was to enroll as many youth, high school dropouts, and high need individuals such as welfare recipients, as possible.

Ladies and gentlemen, you have before you a former high-need welfare recipient. It is not enough for me to just come here and tell you the program helped me make a future for myself and my 13-year-old son. I would like to tell you what my life was like before I became a client under this program. I had a high school education. I worked full-time in a factory, and then 1 day, without warning, the job that I had was gone. The company had gone bankrupt. I was unemployed and had to go on welfare. Looking for work, I could only find part-time jobs, and they could not pay all of the bills.

I had my utilities shut off because there was no money to pay them all. I had to use a camping cooler as a refrigerator, was using candles for light, and I had to use the gas station down the street from my home for their restroom.

I felt things could never get better again. There was a point when I had considered suicide; a point where I had considered giving my son up for adoption so that he could have a better way of life.

And then a friend of mine told me about the CETA Program then, that they had had success in helping single parents find work.

So I made an appointment at the CETA office and they helped me find my first full-time job in a long time; however, the pay was not very great because I was what they termed unskilled labor. I had a high school diploma but that did not even get me a foot in the door.

They in turn gave me advice as to possibly attending college, a goal that I had set for myself many years before but was unable to reach because finances did not permit it. They, and their very competent staff here, gave me the counseling I needed and the encouragement I needed to attend college, as well as the funding needed to do so, and the rest, as they say, is history. I attended college. I was awarded an associate in applied science degree in May of this year.

While in college I made the dean's list with a 3.6-grade-point average, a total grade point average for my 2-year program of 3.2, and was awarded a $500 scholarship in a national competition, and was the only person in my school to be awarded this scholarship.

I also received certificates of commendation and appreciation from many different organizations in the community.

Without the funding of this program I would not have gone to college at all, but more importantly, without the support of people running this program, I could not have continued in college with other Federal programs trying to keep me from my goal.

I would encourage you, Senator, to please look into some other programs that discourage people from attending college, even under Government-funded programs such as the JTPA.

While I was in college I received funding not only from the JTPA Program, but from a program that was called the Pell Grant Program, through college. During my college education I also was on welfare, and found that college education and being on welfare just do not go together here in my own community.

The Welfare Department included my college scholarship money, my JTPA-funded money and my Pell grant money as being moneys that I could use in any way that I saw fit: For my own home living situation, for food, for clothing for my son.

This is not true. I tried to make them believe that; they did not and further penalized me for going to college. Food stamps were taken away. I was threatened with having the ADC portion of funding from the Welfare Department taken away, and twice almost quit college because I could not handle the stress.

Thank God that I did not but I think it is very important that we look into these programs, and try to get them all working together instead of one against the other. I thank you for your time.

[The prepared statement of Ms. Jablonski follows:]

TESTIMONY

BY

GLORIA J. JABLONSKI

SERVICE MANAGER
VELDMAN'S TIRE AND EQUIPMENT

FORMERLY
COLLEGE STUDENT
INDIANA VOCATIONAL TECHNICAL COLLEGE
SOUTH BEND, INDIANA

AWARDED
ASSOCIATE IN APPLIED SCIENCE DEGREE
AUTOMOTIVE SERVICE TECHNOLOGY
MAY 14, 1985

EDUCATION MADE POSSIBLE BY
JOB TRAINING PARTNERSHIP ACT
PELL GRANT PROGRAM
FEL-PRO GASKET COMPANY SCHOLARSHIP

BEFORE

SENATOR QUAYLE'S
HEARING ON THE
JOB TRAINING PARTNERSHIP ACT
IN
SOUTH BEND INDIANA

SUBJECT:

OVERSIGHT HEARING
JOB TRAINING PARTNERSHIP ACT

JULY 2, 1985

Dear Senator Quayle and Interested Parties:

I am Gloria J. Jablonski, Service Manager for Veldman's Tire and Equipment, South Bend, Indiana. In that capacity, I manage a three bay lawn Equipment Service and Repair Shop and a two bay Automotive Repair Shop which will soon be expanded to four bays.

I have had the privilege of being the fourth woman graduate with an Associate in Applied Science Degree in Automotive Service Technology from the Indiana Vocational Technical College in South Bend Indiana.

Let me express my appreciation for the opportunity to speak at this hearing on JTPA oversight and to personally thank Senator Quayle for his dedicated service concerning the Job Training Partnership Act Program.

Before attending this hearing, I read copies of Testimony given regarding JTPA. In these testimonies, I found it often mentioned that part of the management strategy behind the JTPA program was to enroll as many Youth, High School Dropouts and High Need individuals (for example, Welfare Recipients) as possible.

Gentlemen, you have before you a former "High Need, Welfare Supported Individual." I say "former" because with support made possible by the Job Training Partnership Act, I have, at long last, become gainfully employed and totally self-supporting for the first time in what seems like many years.

It is not enough for me to come here and tell you the JTPA Program helped me make a future for myself and my son, for whom I am the sole support. Since I feel I will never be invited to the White House to tell the President my story, I beg your indulgence as I tell you what my life was like before I became a client under the JTPA Program.

As I've already mentioned, I am a single parent. I have a thirteen year old son, in whom I take great pride. From the time of his birth, I've raised him by myself. For most of this thirteen years things were good for us. I had a well paying job and we had a nice home to live in. Then one day, without any warning, the factory job I had was gone. The company could not make a go of things and went bankrupt. There I was with a very young son depending on my support and no income. In the days and months that followed, things were to get even worse for us. I was able to find part-time work but there wasn't enough money to pay all the bills. There was nothing left for me to do but seek the help of my local Welfare Department. That may sound like a real simple thing to do to many people. "If you can't find work," they'd say, "get on welfare." But for me, this was one of the hardest things that I've ever done in my life. I saw it as being an admission in public to being a failure, not only as an adult, but as a mother who had the responsibility of raising a youngster. I spent many long hours crying because I had to get this kind of help. To think of it today, I still feel the same pain. But there was no other way to go. I couldn't make it alone. Things were so bad that I had the electric and the water shut off in our home because I couldn't pay the bills any more. My son and I tried to survive by keeping what food we did have in a camping cooler, using candles for light, and using the bathroom of a local gas station.

There was a time when I felt things could never be better again. Welfare helped a great deal, but it just wasn't enough. Once I was able to "get on my feet" as they say, once we had a home to live in again, utilities turned on and food to eat, I continued looking for work. During the next several years I could never find a job that would pay enough to support my son and myself. So welfare was still needed, and it seemed to me that getting welfare help was going to be a way of life rather than a means to an end for me.

Then one day, just before Christmas of 1982, a friend of mine told me about a government funded program called CETA that helped single parents find work. I got the phone number of my local CETA office and called to make an appointment. My hopes were high that the CETA Program might be able to find me a full-time job.

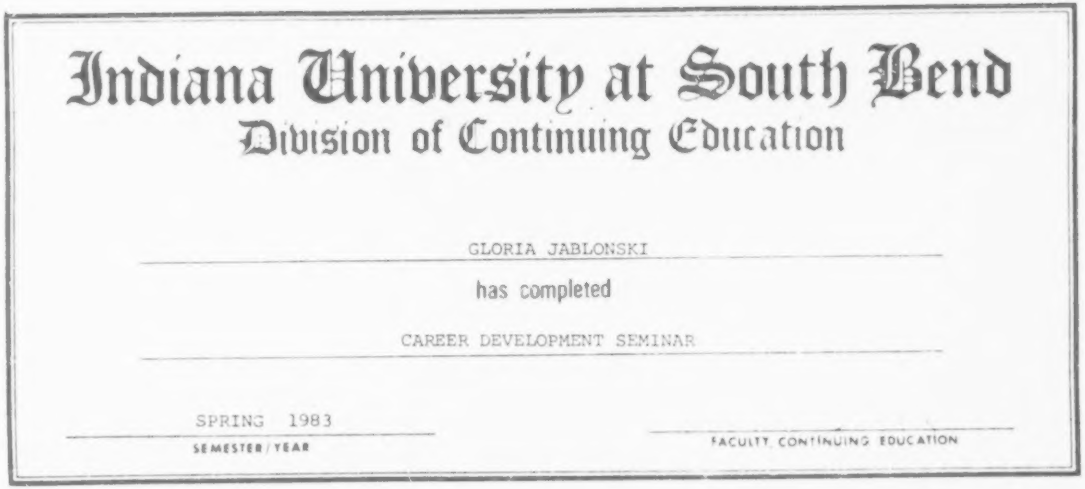
In my first meeting, I was given help in finding a full-time job, but because my skills were what they called "nonmarketable," I couldn't get a job that paid very much. I could work as a nurse's aide, or as a cleaning lady, or as a cook in a local hamberger chain, but these jobs did not pay well and I felt that even my high school education was being wasted on them. Then in late 1982, I asked the staff at CETA if there was anything else I could do. They then gave me a series of forms to fill out (how the government loves forms) and asked me if I'd ever given thought to going back to school. My response was that I had always wanted to go to college but that I never could get enough money together to do so. I was then told of the training program they were offering and asked if I was interested. Of course I said I was and that started things on the way. First there were more forms to fill out, a long series of tests to take, and income guidelines to meet. I make mention of "income guidelines" because of something that happened to me while I was unemployed. I had applied for government housing in South Bend, and once again, after much paperwork, I got a letter from the local Housing Authority stating that my "low income" was "too low to qualify me to pay rent in a government home." And now it was my low income that was going to make it possible for me to get the funding I needed to get my college degree.

"The rest is history" as they say. I attended college and was awarded an Associate in Applied Science Degree in May,

1985. While in college, I made the Dean's List with a 3.6 Grade Point Average and had a total Grade Point Average for the two year program of 3.2. I was awarded a $500 scholarship in a National Competition (I was the only person in the College's history to do so) and received several more Awards and Certificates of Commendation and Appreciation.

Without the funding of the JTPA Program, I wouldn't have gone to college at all. While I take full credit for being awarded my degree and not wasting the money given by the program, I remain deeply grateful for the chance to earn not only my Degree, but also the chance to earn a very good living for myself and my son.

Thank you for your time.



Indiana University at South Bend

Division of Continuing Education

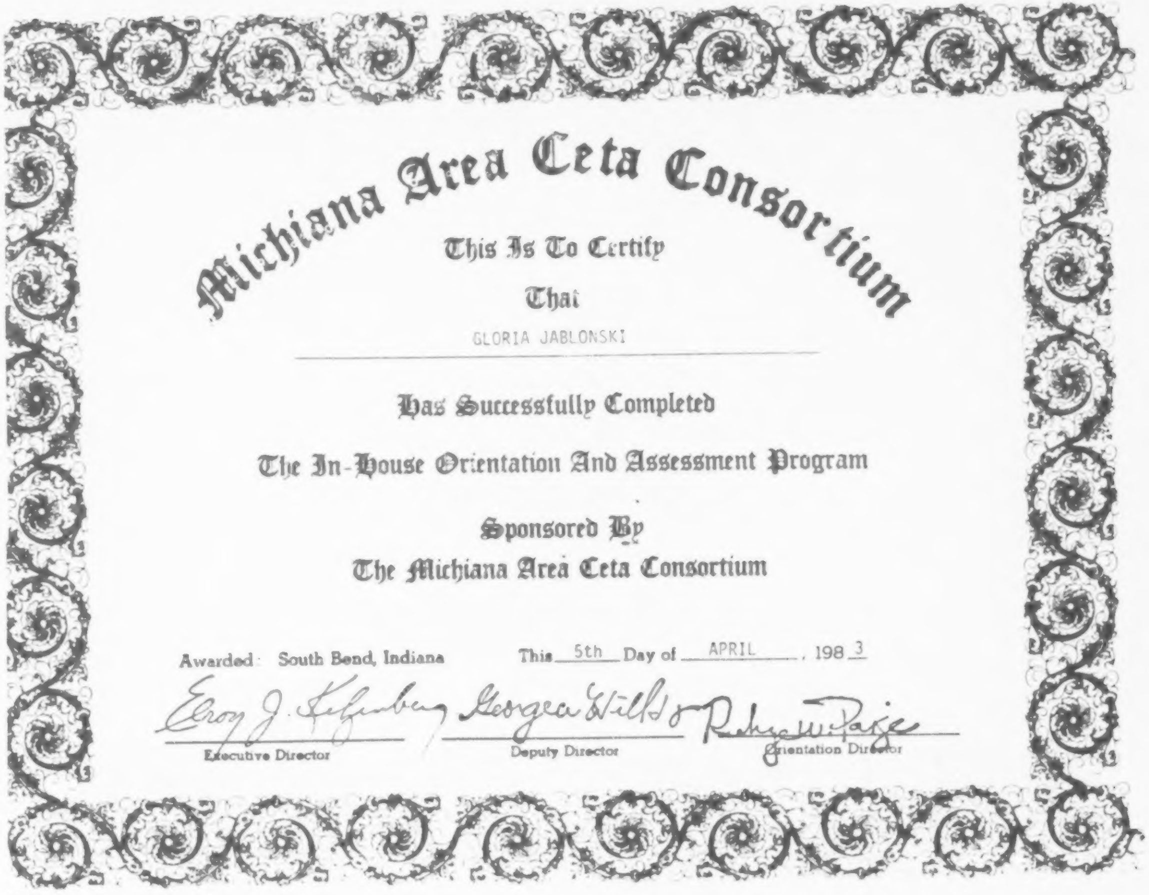
GLORIA JABLONSKI

has completed

CAREER DEVELOPMENT SEMINAR

SPRING 1983
SEMESTER/YEAR

FACULTY, CONTINUING EDUCATION



Michiana Area Ceta Consortium

This Is To Certify

That

GLORIA JABLONSKI

Has Successfully Completed

The In-House Orientation And Assessment Program

Sponsored By

The Michiana Area Ceta Consortium

Awarded: South Bend, Indiana This 5th Day of APRIL, 1983

Executive Director

Deputy Director

Orientation Director

Vocational Industrial Clubs of America

Certificate of APPRECIATION

This is to recognize

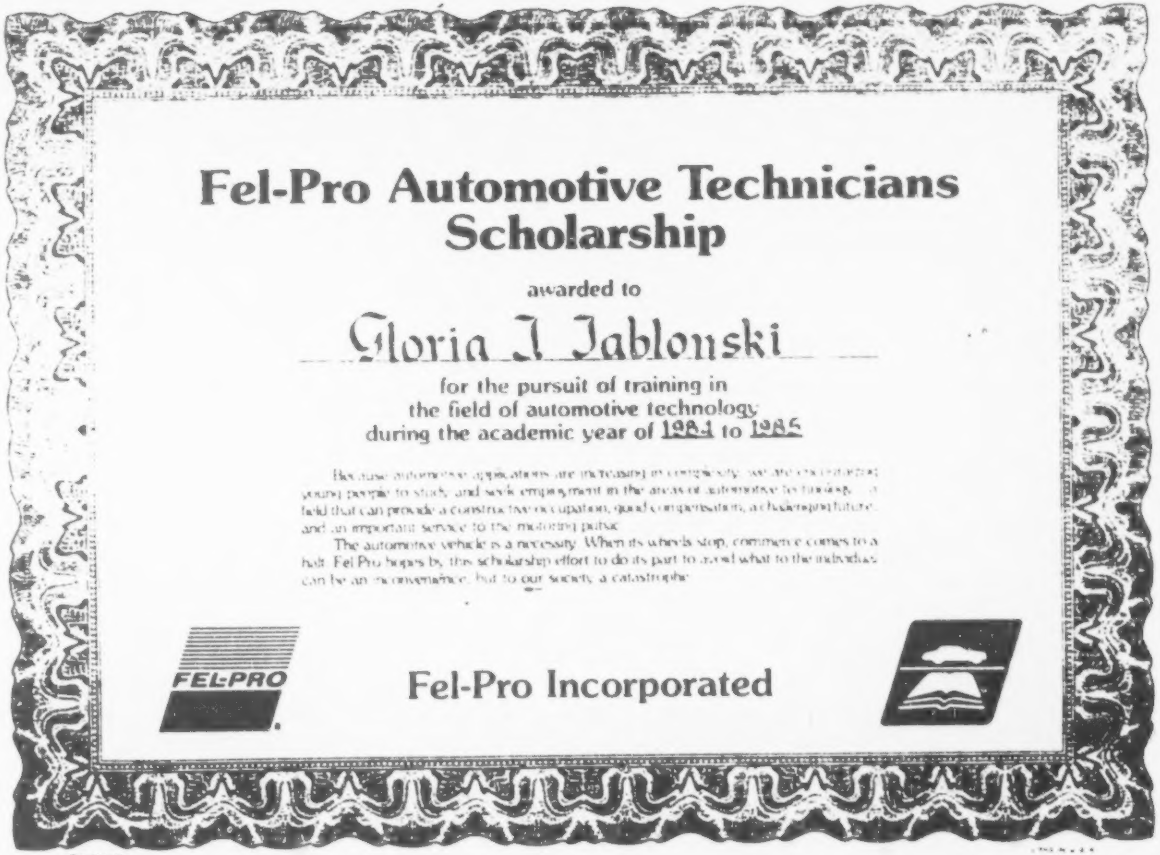
GLORIA JABLONSKI

for special service in the development of industrial youth and to express the sincere appreciation of the Indiana Association of Vocational Industrial Clubs for faith and support in our goals and purposes

In witness whereof this certificate is signed this 30TH day of MARCH 19 85

Roger Meyer
State Association President
Division of Vocational Education

Monte L. Janik
Chief Consultant, Industrial Education/State VICA Advisor
Indiana Department of Education



Fel-Pro Automotive Technicians Scholarship

awarded to

Gloria J. Jablonski

for the pursuit of training in
the field of automotive technology
during the academic year of 1984 to 1985

Because automotive applications are increasing in complexity, we are encouraging young people to study and seek employment in the areas of automotive technology — a field that can provide a constructive occupation, good compensation, a challenging future, and an important service to the motoring public.

The automotive vehicle is a necessity. When its wheels stop, commerce comes to a halt. Fel-Pro hopes by this scholarship effort to do its part to avoid what to the individual can be an inconvenience, but to our society, a catastrophe.

FEL-PRO

Fel-Pro Incorporated

GIRL SC

Girl Scouts of
Singing Sands Council, Inc.
15985 State Road 23
Granger, Indiana 46530
(219) 277-0900

Dear Ms Jablonski

The Girl Scouts of Singing Sands Council is pleased to have you as a consultant for "The Choice Is Yours" Conference on March 24, 1984. We are very excited about the conference and your participation in this program is greatly appreciated.

The future is so bright for the young women of today. Never before has she had so many opportunities. Yet, never before has she had to make so many decisions about her future role.

It is the hope of the Girl Scouts that a career conference will help these young people make their own decisions. Too many times people enter a career field, only to become disillusioned when they discover that a job is not what they thought it would be. By attending a career conference of this nature, they can gain first hand knowledge from the people in a particular field.

Enclosed is an agreement and some helpful hints on making presentations. Please return the agreement form to Theresa A. Arneson, Associate Executive Director, at the Girl Scout office by March 1. If you have any questions, please call Theresa at 219/277-0900, Lois Detamore, 219/936-9718, Irene Leamon, 616/683-6420, or Jan Leslie Meese, 219/277-0900. We will contact you by phone a week or two before the conference to take care of any last minute details. At that time we will tell you the exact number of sessions you will be doing (between one and ten), the times of your sessions, and the number of listeners in each one.

Again, thank you for your interest and support.

Sincerely,

Theresa A. Arneson

Theresa A. Arneson
Associate Executive Director

TAA/bv

enclosures

GIRL SCOUTS
Girl Scouts of
Singing Sands Council, Inc.
15985 State Road 23
Granger, Indiana 46530
(219) 277-0900

March 30, 1984

Gloria Jablonski
62430 Locust Road, #59
South Bend, Indiana 46614

Dear Gloria:

Thank you, once again, for your participation in our Girl Scout sponsored "Choice Is Yours" conference. You helped make this program successful and exciting.

In the evaluations that we asked the girls to complete we heard:

> "It was interesting and fun."
>
> "Listening to all the people - it was worth the time."
>
> "The classes were interesting."
>
> "The best thing was learning more about what I might want to be."
>
> "Each speaker gave insight into their field and I found the coverage excellent."

Some girls came to the conference to explore the many career options open to them, and some came seeking information on the fields that they have already set their sights on. All of them found, through your interest and commitment, the opportunity to learn more about and better prepare for the choices that are theirs to make in the coming years.

On behalf of the Girl Scouts of Singing Sands, Lois Detamore, Irene Leamon, Jan Leslie Meese, and myself, I thank you.

Enclosed you will find a speaker evaluation that will help us prepare for our next conference. Please take a few moments to complete and return it to me.

Thank you, once again, for your time and interest.

Sincerely,

Theresa A. Arneson

Theresa A. Arneson
Associate Executive Director

TAA/bv

enclosure

Citizens Scholarship Foundation of America

1505 Riverview Road, P.O. Box 297
St. Peter, Minnesota 56082
(507) 931-1682

December 3, 1984

Gloria Jablonski
62430 Locust Road Lot#59
South Bend, IN 46614

Dear Gloria:

Congratulations! I am happy to announce that you have been awarded a $500 Fel-Pro Automotive Technicians Scholarship!

The amount of your award is based on your enrollment at Indiana Vocational Technical College for the 1984-85 school year. Should you change your educational plans, please keep us informed.

Please complete and sign the enclosed Scholarship Acknowledgment Form and return it to CSFA in the preaddressed envelope by December 17, 1984. When we receive the scholarship acknowledgment form, we will mail your award.

Fel-Pro Automotive Technicians Scholarships awards may be renewed for a second year. A renewal application will be sent to you with your award check.

If you wish to have your picture included with an announcement of your Fel-Pro Automotive Technicians Scholarship award, please enclose with the Scholarship Acknowledgment Form a standard head and shoulders snapshot.

We encourage you to write a note of appreciation to Fel-Pro Inc. for providing you with this special award. It may be addressed to Mr. Harold Heft, Fel-Pro Inc., Box C 1103, Skokie, IL 60076.

If you have any questions regarding your award, please write or call us at the above location. Remember to refer to the Fel-Pro Automotive Technicians Scholarship Program.

Sincerely yours,

Susan Gravelin

Susan Gravelin
Program Manager

SG/pe

Enclosure

Dollars for Scholars ® 25th Year

FEL-PRO AUTOMOTIVE TECHNICIANS
SCHOLARSHIP PROGRAM

February 29, 1985

Gloria J. Jablonski
62430 Locust Road, Lot #59
South Bend, IN 46614

Dear Gloria:

Congratulations on your selection as a recipient of Fel-Pro Automotive Technicians Scholarship. It is gratifying to know this award will help you to pursue your studies leading to a career as an automotive technician.

Because automotive applications are increasing in complexity, we at Fel-Pro decided to help encourage young people to study and seek employment in the areas of automotive technology - a field that can provide a constructive occupation, good compensation, a challenging future, and an important service to the motoring public. We at Fel-Pro feel that the automobile and truck will continue to be vital to our society's commerce and convenience. Thus, the need for well-trained automotive technicians will continue and grow.

The success and future continuation of the Fel-Pro Automotive Technicians Scholarship Program depends in part on your successful completion of your schooling. We intend to monitor the progress of each group of scholarship winners to be sure that we are accomplishing our goals of increasing the pool of trained technicians.

We encourage you to finish your education and to contribute to our industry. We encourage you to keep in touch with us; we are most interested in your progress. We are also interested in hearing about your successes (or failures) if and when you use our products.

We wish you the best for the future!

Sincerely,

FEL-PRO INCORPORATED

Harold M. Heft
Fel-Pro Automotive Technicians Scholarship Program

HMH:ap

7450 N. McCormick Boulevard, Skokie, Illinois 60076 312-674-7700

IVY TECH
INDIANA VOCATIONAL
TECHNICAL COLLEGE

OFFICE OF THE
VICE PRESIDENT DEAN

December 7, 1984

Ms. Gloria Jablonski
62430 Locust Road, Lot #59
South Bend, Indiana 46614

Dear Ms. Jablonski:

Congratulations on being awarded a $500 Scholarship from the Citizens' Scholarship Foundation of America. It's nice to know that Ivy Tech students can compete in national programs and come away winners.

Best wishes not only in your studies but in your total career plans.

Sincerely,

Carl F. Lutz
Vice President, Dean

CFL/jcw

cc: J. Wells
D. Hawkes
C. Henkel
E. Neff

"To match job opportunities with job skills."
Equal Opportunity/Affirmative Action State College
Indiana Vocational Technical College • 1534 West Sample Street • South Bend, Indiana 46619 • Telephone 219/289-7001

IVYTECH
INDIANA VOCATIONAL
TECHNICAL COLLEGE

OFFICE OF THE
VICE PRESIDENT/DEAN

October 1, 1984

Ms. Gloria J. Jablonski
62430 Locust, #59
South Bend, Indiana 46614

Dear Ms. Jablonski:

It is a great pleasure for me to announce the placement of your name on the Dean's List for the Summer Quarter at Ivy Tech-Northcentral.

I offer you my heartiest congratulations on achieving a grade point average of 3.5 or higher, an accomplishment which reflects not only the many hours of effort given to your studies, but also on the high degree of achievement you have set for yourself.

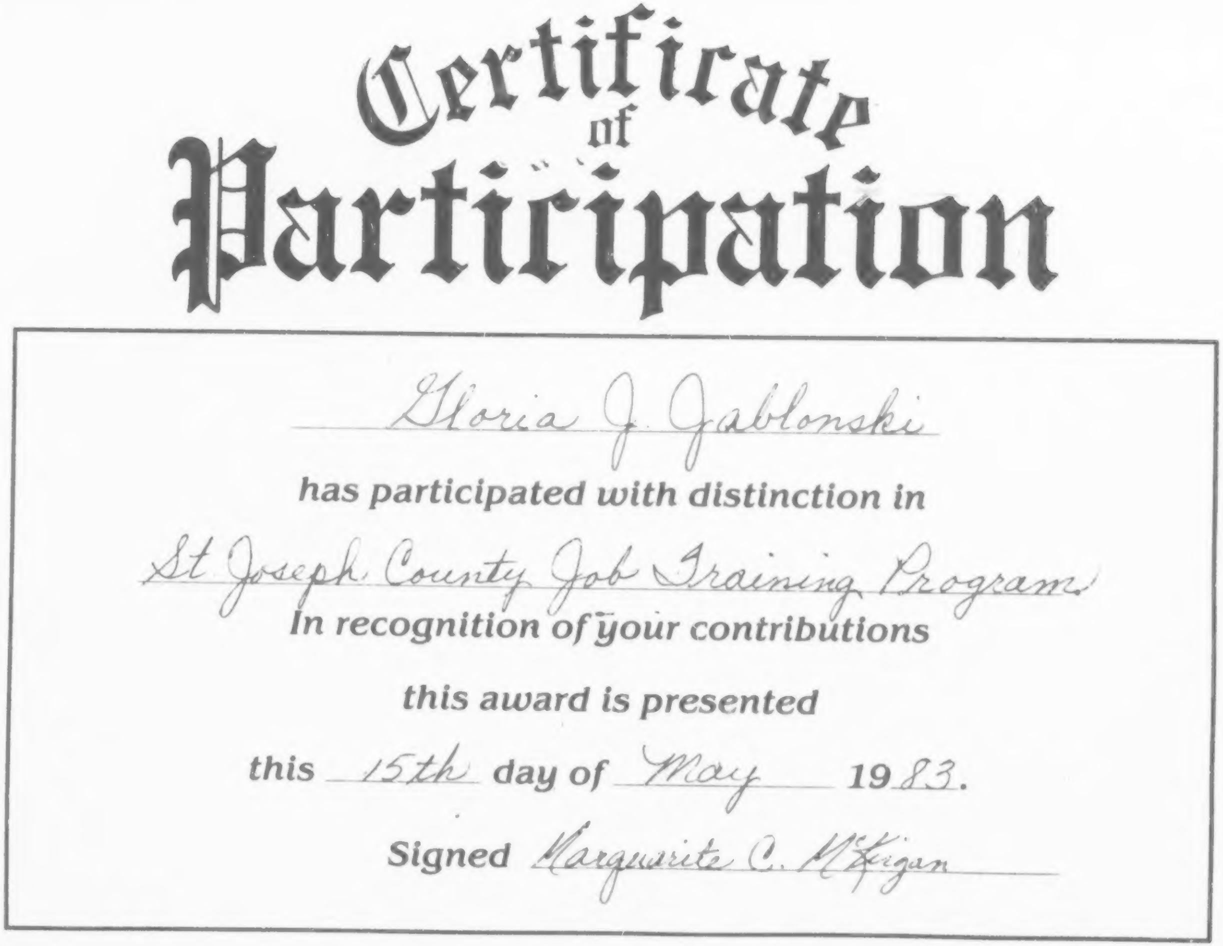
On behalf of the faculty, the staff and the administration, I wish you continued success as you work toward your chosen career goals.

Sincerely,

Carl F. Lutz
Vice President, Dean

CFL/jcw

"To match job opportunities with job skills"
Equal Opportunity/Affirmative Action State College
Indiana Vocational Technical College • 1534 West Sample Street • South Bend, Indiana 46619 • Telephone 219/289-7001



Certificate of Participation

Gloria J. Jablonski

has participated with distinction in

St Joseph County Job Training Program

In recognition of your contributions

this award is presented

this 15th day of May 1983.

Signed Marguerite C. McKigan

Senator QUAYLE. Thank you and congratulations on your graduation and your employment. Good luck to you.

Our final panelist, Mr. Randy Pease, who is the personnel manager of AM General.

Mr. PEASE. Thank you, Senator. A little over a year ago, AM General, as most of you know here, was successful bidder on the Hummer program, and we totally retooled the Mishawaka plant.

Because of the high degree of automation, we found ourselves almost completely retraining the work force that had been employed there for a number of years.

At about that same time, or shortly after that, I was approached with the idea of the JTPA. I must confess that I agreed, reluctantly, because in the few years that I have spent in personnel work, I have had something less than outstanding success with similar types of programs.

This one, I must say, has completely turned that philosophy around for me. We have not been able to use the program to the degree we would like to simply because we had, at the time we started this, a large number of employees already on layoff, and obviously we could not and would not want to use this program to displace our current employees.

We have, however, been able to use some trainees. I have found the local administration of this program to be outstanding. We have developed a communication whereby they keep me advised of the talent they have available, I keep them advised of the basic skills that I must have in order to complete our training, and of those, oh, a dozen or so people that they have sent to us for the training program, all but one are still with us.

And that one left not because of a problem with attitude or work ethic, or anything of that nature. It was just strictly a matter of physical dexterity.

So we have had, in my book, a 100-percent success rate. The other thing that I was concerned about, based on past programs, was the fact that the paperwork, typically, more than offsets any economic benefit that the employer gets.

That has not been the case in this particular case. The paperwork has been very minimal, as the gentleman mentioned down there, if we put in an hour a week on the paperwork, we have had a busy week.

I would encourage continuation certainly of this program, very much as it is. The complaints that I have heard are either from those who are uninformed, people who say you are doing these people a favor and my buddy is out of work, and they do not realize that their buddy could probably qualify, if he would. And the other complaint was mentioned at an earlier panel: People who have chosen to live in the Niles, Buchanan, Michigan area, have worked in South Bend most of their life, and they are not eligible for this program.

Those would be the only two complaints that I have heard and I disagree with one of them. That is really all I have to say.

Senator QUAYLE. Thank you, Mr. Pease. I am delighted that you noted for the record that you have had a 100-percent success rate with the program. I think that speaks well for the program. It speaks well for the quality of personnel and the people that are going through the program.

I think what we see here today is the fact that getting both the employers and the employees, trainees, together, that the program is in fact working.

I want to thank the panel and thank the employers, and everybody else, that they are hiring people, particularly people that go through this program. I want to thank this panel and the other panelists that participated because without your coming here today, this hearing would not be what it is.

I think we have gotten excellent testimony here. We will certainly digest it. We are going to keep the hearing open for 2 weeks.

If anybody wants to submit additional written testimony, we will be glad to receive that as well. But again, thank you very, very much for very fine testimony.

[Additional statements submitted for the record follow:]

TESTIMONY OF DR. LYNNE MILLER
Assistant Superintendent for Curriculum

July 2, 1985

Thank you very much for inviting me to testify before the committee. My name is Lynne Miller. I am Assistant Superintendent for Curriculum in the South Bend schools. In addition, I am a member of the Private Industry Council, serve as Secretary of the Council, and chair the PIC Youth Committee.

The JTP program in St. Joseph County has had a very successful year. All benchmarks have been attained and over 250 people have entered jobs as a result of the program. I'm certain that others will provide testimony about the general operation of the program.

I'd like limit my testimony to two items which concern the partnership between the JTPA and the school system. The first area is the area of adult basic education. In the last year, the South Bend schools have taken over total responsibility for adult basic education for the St. Joseph JTP Program. This partnership is based on a complicated and unique funding relationship with the State Department of Adult Education. After having spent a great deal of time ironing out the intricacies, an agreement was reached so that South Bend school personnel could deliver the services to adults in need of basic education and GED preparation. Though only a year old, this partnership has been a beneficial one for both the JTP and the school corporation. It is my belief that the school system is doing what it does best, that is teaching the basic skills of literacy and numeracy. The JTP does what it does best, that is preparing people to enter the work force. By separating these two functions and allowing the entity that has the expertise in each of the functions to take responsibility, the JTP and the school corporation have developed an effective partnership.

The second issue I'd like to address is a new program that has been initiated between the South Bend and Mishawaka school systems and the JTP Program. Entitled INDIANA GRADUATES AT WORK (IGAW), this program identifies current seniors in our high schools who are preparing to graduate and whose transcripts indicate they do not have the necessary skills for college, technical training, or entrance into the job market. These students are students who have taken the "general curriculum". As they approach their senior year, these young people do not have a sense of direction or sense of how to develop one.

The IGAW Program places a job counselor in each high school. Each job counselor works with 30 youth for the duration of the school year. The curriculum covers everything from communication skills to job readiness skills to filling out applications to looking for jobs to securing a job. A follow-up six months after placement of students into positions is provided by the program. In the South Bend schools, the IGAW Program is now serving two high schools. I have arranged for the programs to carry academic credit under a course title approved by the State Department of Education. Supervised by a certified teacher, the job specialist works very closely with students and offers them a course of study which not only satisfies graduation requirements, but also offers preparation for the future. This program has been very well received by the schools and by the students who are being served. In this partnership between schools and the JTP, students are helped to make up for lost time and given the kind of information they need at precisely the point that they need it. I most heartily endorse this program and its expansion to other JTP programs in the nation.

As an educator, I have some concerns about current legislation for JTP, particularly as it effects youth. It seems to me that there are many ways that the schools and the JTP Program can work together. One thing the schools have to offer is a wide variety of course options for students to select. Too often, however, students do not select the programs and courses which will prepare them for a future vocation. Left to their own devices, students often choose a general curriculum which has no clear focus. I would like to propose that a new kind of coalition be built between JTP and the schools. This coalition would identify the students in the middle school years, particularly in grades 7 and 8, and would advise those students and counsel them about the kinds of courses and preparation they need as they enter high school. I would like to see JTP funds be made available to work more closely with students in this counseling capacity. It is obvious to me that the schools offer many of the solutions to the problems that JTPA faces in older youth. However, because the JTPA Program cannot work in a counseling function with younger youth, we have to wait until the senior year or beyond to be able to accomodate youth appropriately. I am very optimistic that as school systems and job training programs work together, we can forge many unique and effective partnerships. I am arguing for more flexibility in the legislation to allow for these partnerships to emerge.

Youth
Services
Bureau

"Serving youth & families of Elkhart County"

June 28, 1985

President,
Karly Kegerreis

Vice-President
Mike Neff

Secretary/Treasurer
Barbara Parker

Ben Barnes
Richard E. Bond
John Collins
Cynthia Gillard
Don Hobik
Amy Matherly
Gary McMillen
David Rushenberg
Pam Shultz
Connie Ulery

Executive Director
Glenn D. Stevens

Honorable Dan Quayle
SH 524 Hart Senate Office Bldg.
Washington, DC 20510

Dear Senator Quayle:

Thank you for the opportunity to respond on the progress of JTPA.

I am presently a board member of our regional SDA-PIC. Previously, I had served on the board of the CETA program for its duration.

The biggest problem I have seen in comparing the two programs is CETA did not have the restriction on administrative costs that the JTPA has now. In theory, I like JTPA for that. The problem is in our area the CETA administrator became a PIC Service Provider and rather than sub-contract as they had previously done under CETA and maintain a large staff, they now do much of the direct services rather than sub-contract for services in order to continue maintaining a large office. This change in their approach has resulted in some successful programs from the CETA period not being funded under JTPA but instead the local JTPA service provider is doing simular programs with a different title.

The transition from the federal to the state level was a big headache. No buearcratic red tape was being eliminated, just shifted. Our state wasn't prepared nor was job training a major emphasis. When I look at the leadership of the new state office to oversee JPTA, I question whether it is still a major emphasis.

330 W. LEXINGTON STREET / ELKHART, INDIANA 46516 / 219-294-3549

I prefer the move from the public sector to the private sector in job placement and training. The public sector could not absorb all the people coming through the old CETA program. Also, the jobs and training, as a whole, did not have a future for the employee.

I wish the JTPA theory was being carried out in practice but for all practical purposes it is not. The act has provided enough loop holes for providers to perpetuate themselves and many PIC members are not committed to be more knowledgeable to notice.

Despite my negative feelings expressed about JTPA, I really do appreciate your sincere desire to improve quality of life for all Americans.

Sincerely,

Glenn D. Stevens
Executive Director
ELKHART YOUTH SERVICES BUREAU

GDS/td

June 26, 1985

Senator Dan Quayle
c/o Renee Coe
Senate Labor and Human Resources Com.
S.D. 428
Dirksen Senate Office Bldg.
Washington, DC 20510

Dear Senator Quayle:

To introduce myself, I am A. Bill Fabyan a dislocated worker who wishes to submit testimony concerning the Job Training Partnership Act. I was a 30-year Torrington worker. I am 59 years of age (the average age at Torrington being 52 years).

After going through the trauma of dislocation, I used every available means at my disposal to put my life back on the employment roles. I was fortunate enough to be enrolled with the Madison Center/U.A.W. Dislocated Worker Program, which helped me and my family adjust to my dilemma. I believe in this program and see personally and first-hand that it works for me and my former co-workers.

At the beginning I was very skeptical that a government subsidized program would be fruitful to the cause of dislocated workers, but I became involved and participated in the Madison Center/U.A.W. Program with an open mind. One of my fears was that employers and the job market would discriminate in hiring us. I have found that the expertise of Madison Center/U.A.W. opened many doors and that employers were sympathetic to our needs. One of the incentives for employers to hire workers is the on-the-job training program. I know for a fact that Uniroyal, Inc. took advantage of the program for former Torrington employees. Presently I am employed at Uniroyal, Inc. of Mishawaka.

It is over a year since Torrington closed its door to the South Bend facilities and since then we have had five suicides, fifty-two divorces, twenty-two voluntarily committed to alcoholism program, and six have lost their homes. Many are yet having stress related counseling. Madison Center/U.A.W. has helped many people take a negative phase of their life and turn it into a positive. Having this dealt upon me and my former co-workers was a trauma and still is a trauma with which many are not yet able to cope by themselves.

The professionalism of the Madison Center/U.A.W. program staff and counseling services is to be commended. I am listing here only a part of the services available through the dislocated worker program. I feel I have much more valuable first-hand information and request with deep interest the opportunity to speak or be questioned in detail at the hearing.

I am available at your convenience. My address is:

2196 W. Ireland Road
South Bend, IN 46614
Phone: (219) 291-9716

Sincerely,

A. Bill Fabyan

A. Bill Fabyan

Senator **Quayle**. Thank all of you, and with that, this committee will stand in adjournment.

[Whereupon, at 10:19 a.m., the subcommittee was adjourned.]

OVERSIGHT ON THE JOB TRAINING PARTNERSHIP ACT, 1985

TUESDAY, JULY 2, 1985

U.S. SENATE,
SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY,
COMMITTEE ON LABOR AND HUMAN RESOURCES,
Gary, IN.

The subcommittee met, pursuant to notice, at 1:02 p.m., at the Library Conference Center, Indiana University Northwest, Gary, IN, the Senator Dan Quayle (chairman of the subcommittee) presiding.

Present: Senator Quayle.

OPENING STATEMENT OF SENATOR QUAYLE

Senator QUAYLE. Will the committee come to order.

I have been traveling around the State for the past couple of days receiving testimony from various service delivery areas concerning the implementation of the Job Training Partnership Act.

I think one of the best things that we can do, once legislation is passed, is to go out and talk to the people, ask questions and to find out how it's being implemented. One of the worst things to do is to just go ahead and pass legislation and to say, "Well, I guess we've done our job."

The last couple of days have been interesting hearings. We started with Indianapolis and Evansville; we were in South Bend earlier on. We are going to be in Lafayette and Fort Wayne later on to conclude six hearings in six different cities to try to get a perspective.

The Secretary of Labor was in the state yesterday. He was with me in Indianapolis and Evansville to hear firsthand on how the Job Training Partnership Act is going.

I might just say, in a quick summation, that the other stops have been reasonably complimentary of the program, the structure and the process that is implemented. They all said not to have any major surgery but perhaps there's some fine tuning that needs to be done.

They have all dwelled upon the partnership attitude between the public sector and the private sector that's so essential to make sure that we find out where the jobs and opportunities are.

Our first panel here is in the public-private sector partnership. In Lake County we, last year, spent, I think, around $10 million and had over 7,000 training slots, and I think that that speaks for itself, that there's a considerable amount of effort, particularly here in Northwest Indiana and in Lake County in particular, where we have faced a chronic unemployment situation. Job training and training for jobs and putting people to work is a high priority that we all have, and that we're all going to work hard to try to overcome.

Our first panel is situated, and I will go according to my list here, and the first one to testify will be from the Kankakee Valley Job Training Program, Mr. George Beasley, who is the PIC Co-Chairman. He is the owner of Beasley Realty in Portage.

Mr. Beasley, go ahead and proceed.

STATEMENTS OF GEORGE BEASLEY, PIC CO-CHAIRMAN, KANKAKEE VALLEY JOB TRAINING PROGRAM, PORTAGE, IN; FLOYD PODELL, PULASKI COUNTY COMMISSIONER, WINAMAC, IN; JAMES DONOVAN, PIC CHAIRMAN, HAMMOND, IN; AND N. ATTESON SPANN, LAKE COUNTY BOARD OF COMMISSIONERS, CROWN POINT, IN

Mr. BEASLEY. Good afternoon. I am George Beasley, co-chairman of the Kankakee Valley Private Industry Council, a member of the PIC Planning Committee and a private sector representative. I am pleased to have been given the opportunity to testify in these oversight hearings.

From the PIC's—and when I say PIC's, that's the Private Industry Council, in case anyone doesn't know—inception and involvement in the JTPA, members of this body have spent long hours in weekly sessions, assessing local needs, determining training activities which would lead to jobs, selecting service providers, vendors, evaluating and monitoring the results.

The learning process has been slow due to the newness of the legislation, the complexity of the material and the realization that the decisions made affect thousands of our citizens at the local level.

As our PIC members continue to refine their roles and see the results of their efforts, the local involvement will become even stronger, becoming more proactive than reactive.

As we evaluate the last 2 years, we can conclude the following: It is essential that the utilization of the JTPA resources in our area be distributed in a fair and equitable fashion to as many target groups of the unemployed as possible.

Our performance has indicated that operationally, we are exceeding our planned service levels in the majority of the areas. With this as a factor for evaluation, we are proud that we are not only serving those who can best benefit by employment and training services, but those who are facing substantial artificial barriers to employment and who are most in need.

By the same token, providing quality training services to these individuals has still resulted in meeting and exceeding our performance standards in the last 11 months. This has taken place through much hard work by dedicated individuals, the extensiving marketing of our quality product and the receptivity of the consumer—that is the employer.

It has not been easy, nor will it become easier as the employment rate in our SDA continues to soar with the closings of businesses, large and small.

The investment in training of our citizens, I feel, is a sound investment, one which we feel will substantiate itself in lower expenditures in food stamps, welfare and other entitlement programs; an investment that must be made by JTPA, as well, in the employment-generating area.

More flexibility in the utilization of employment-generating funds on a regulatory basis would allow SDA's to augment or supplement our job-creation activities being conducted by local chambers and economic development groups.

As long as an SDA meets their performance standards, spending in this area should not be restricted or hampered to an extreme degree, particularly in those SDA's where the employment rate is high and job creating of paramount importance.

The private sector involvement in JTPA has been effective and a sound investment in our service delivery area. Coupled with the interaction of the local elected officials and other public sector and coordinating agencies, we hope the partnership approach of all citizens in the community will essentially assist us in providing quality service in a cost effective fashion to those individuals who otherwise might never have the opportunity to enter or re-enter the labor market.

Thank you very much.

Senator QUAYLE. Thank you, Mr. Beasley.

Mr. Beasley was the PIC co-chairman of the Kankakee Valley Job Training Program.

Now we are going to hear from the chief elected official from that same service delivery area, Mr. Floyd Podell who is the Pulaski County Commissioner from Winamac.

Commissioner, welcome.

Mr. PODELL. Mr. Chairman, thank you for allowing me the opportunity to testify in these Job Training Partnership Act oversight hearings.

I am president of the local elected officials of the six counties in this part of the State and we serve as the grant recipient and the administrative entity of the Kankakee Valley Job Training Service area.

During the last 2 years we have worked very closely with the Private Industry Council, and it has been an excellent working relationship.

As private businessmen ourselves, we understand the needs, priority and focus of the private sector in regards to development, implementation and effectiveness of the Job Training Partnership Act in our service delivery area.

Overall, as a private citizen and elected official, I do feel that the Job Training Partnership Act is working. The public perception in both the rural and urban areas is extremely positive. This program, I believe, has many positive aspects over the former CETA Program. I would hope that it would be continued with, perhaps, only a very few revisions.

There are issues which are of concern to us on a local administrative level. We have a question concerning the 40 percent mandated youth expenditure level, whether it will actually meet the Congress' desire and needs, resolve them, or give them the results that they really wanted.

Meeting this expenditure level doesn't necessarily guarantee a quality service or that youth is better equipped to be competitive in the labor market when they are adults. I do not believe that it was the intent of Congress to have the SDA's turn away unemployed, economically disadvantaged adults in high unemployment areas such as northwest Indiana due to this youth expenditure mandate.

I would suggest perhaps the definition of "youth" might be broadened to include ages up through 24, and then give consideration to a young person who is out of work, who has returned home for economic reasons, and is now ineligible because of the parents' income in that household.

I am very much impressed with the Summer Youth Program. I have received many positive comments from the beneficiaries of this program.

The dislocated worker and funding for services to this individual is also a concern in our service delivery area. Due to implementation time and utilization of contractors outside the State to provide services, it has caused a slow start-up time, resulting in over $2.4 million being encumbered through title III discrectionary funds for this program year.

This fact could be very misleading concerning funding for future needs. As this program becomes fully implemented, a much more accurate measure of need will be established.

The issues of audit and liability also can't be ignored. Since there are no national audit standards for allowable costs under JTPA, we hope that the Department of Labor's position will be one supportive of the Governor's decision in each of the 50 States.

As you well know, JTPA is one of the few pieces of legislation which do not allow a variance for error in judgment. Due to this, service delivery areas should be commended for administering programs within such rigid standards and should be proud of their accountability to the public.

However, because of the high level of accountability, basic guidance from the Department of Labor may be beneficial and necessary.

I hope that my comments, although brief, will give the committee food for thought, and when they are evaluating the need for any amendments to JTPA. So thank you again for giving me the opportunity to speak for Kankakee Valley.

Senator **Quayle**. Thank you very much commissioner.

Now we will switch to the Lake County Job Training Program and will hear from its PIC chairman, Mr. James Donovan who's the treasurer-comptroller of Tri-City Electric Co. in Hammond.

Mr. Donovan.

Mr. **Donovan**. I am James V. Donovan. I am the current chair person of the Lake County Private Industry Council, and I would like to thank you for the opportunity to testify here today.

The Job Training Partnership Act of 1982 required that a unique sort of cooperative arrangement be made between two groups of people that are historically distrustful of each other: local elected officials and private sector businessmen. This arrangement would be difficult enough under most circumstances; it was even more difficult in Lake County, simply because of our past history.

We had three prime sponsors in the old CETA legislation, which was JTPA's predecessor. We actually had four autonomous programs running that were more or less suspicious of each other also.

Not to dwell on the past excessively, what we did finally, by meeting, and by meeting, and by meeting some more, was establish a compromise, and that's basically set up the Lake County Job Training Corp. which is now our administrative entity and grant recipient. It finished its first full year of operation last Sunday, with June 30 coming to pass.

One of the main thrusts of JTPA legislation has been private sector participation, mandated by the law that the majority of each Private Industry Council must come from the private sector.

In our initial go-around we had very many private sector individuals who represented the largest private employers in the SDA. These tended to be people of great influence and they tended to have great influence on the council.

Unfortunately, it seems that as far as job creation goes, the action is with small business, and these large employers weren't able to provide, personally, any openings for the JTPA participants at all.

Perhaps the way to look at the law, or a way to amend it to make it a little bit more responsive to the real world is, as I see it, to require two-thirds private sector to be on each Private Industry Council, and to perhaps require, or at least strongly recommend that two-thirds of that group be from small business.

Small business can continue to be defined just the way it is in the legislation, with the possible addition of the words "able to employ entry level JTPA participants."

That's not to suggest that a new PIC member would have to promise a job, or more, to the program, but it is to remind them of their commitment to the program; and the commitment, at the present time, can be best expressed by having jobs available.

Thank you.

[The prepared statement of Mr. Donovan follows:]

TESTIMONY OF JAMES V. DONOVAN, CHAIRPERSON OF THE LAKE COUNTY PRIVATE INDUSTRY COUNCIL
OVERSIGHT HEARINGS ON THE OPERATIONS OF THE
JOB TRAINING PARTNERSHIP ACT IN INDIANA
GARY, INDIANA
JULY 2, 1985

I am James V. Donovan, current Chairperson of the Lake County Private Industry Council and Treasurer of Tri-City Electric Company headquartered in Hammond.

I am grateful for the opportunity to testify at this hearing.

The Job Training Partnership Act of 1982 required that a unique cooperative arrangement be made between two groups historically suspicious and distrustful of each other - representatives of private sector businesses and local elected officials. If this arrangement or agreement wasn't difficult enough to achieve, in Lake County we had the additional complication of past history; three prime sponsors running four largely autonomous programs under CETA, JTPA's predecessor legislation. The selection of SDA's initial private industry council reflected these divisions and was largely an attempt to keep everyone happy.

When it first convened, most of the private industry council's members felt they were analogous to elected officials each representing his or her little part of the county, many with strong ties to one of the former CETA programs. They favored anything that would improve the Job Training effort in the County as long as it did not hurt their own constituency.

These attitudes made it very difficult for the PIC to agree on anything substantive or to negotiate any sort of cooperative agreement with the elected officials. Out of many hours of meetings between PIC members and elected officials an agreement was finally made which led to the establishment of the Lake County Job Training Corporation.

During the first nine months of JTPA the four CETA programs were allowed to operate pretty much as before while the Corporation gathered its staff. The first full program year that the Corporation actually operated the JTPA program has just ended and seems to be quite successful.

One of the main thrusts of the JTPA legislation has been private sector participation. It is mandated by requiring that a majority of each private industry council be from the private sector. In our initial private industry council and LCJTC board heavy emphasis was placed upon representation by major current employers. The JTPA legislation recommends that at least 1/2 of the private sector contingent be from small business as defined in the Act.

The result was a very well known group of employers who because of economic conditions were reducing their employment levels rather than increasing them. They therefore gave the impression that they were not committed to the success of the local JTPA program since they were not able to hire any of its participants.

Perhaps the law should be amended to provide that 2/3 of the composition of the private industry council be from the private sector and that 2/3 of this group be from small business. Small business might then be defined as it is currently with the addition of the words "able to provide entry level employment opportunities to JTPA participants". This would not impose a hiring quota on each PIC member but it would remind them that their commitment to the success of the program is essential and that commitment is best evidenced in this case by a job.

And now the chief elected official here in Lake County, Mr. Atterson Spann, Lake County Board of Commissioners, Crown Point. Mr. Spann, welcome.

Senator QUAYLE. Thank you very much, Mr. Donovan.

Mr. SPANN. Thank you, Senator.

I am N. Atterson Spann, Jr., president of the board of County Commissioners of the County of Lake. As a member of the board of commissioners, I have served as a prime sponsor under the Comprehensive Employment and Training Act since its inception, and more recently as the first chairman of the board of directors for the Lake County Job Training Corp., the grant recipient and administrative entity under the Job Training Partnership Act; and, as of this morning, I am the new chairman again.

Senator QUAYLE. Congratulations.

Mr. SPANN. I don't know whether it's congratulations or condolences, but I'll accept.

Senator QUAYLE. Well, we hope congratulations.

Mr. SPANN. First of all, I would like to thank you, Senator, and welcome you to Lake County, and thank you for having your oversight hearings here in Lake County.

Since 1980 we have experienced double-digit unemployment rates of as high as 18.3 percent. While we are pleased with the Job Training Partnership Act, we do not experience a severe cut—that we did not experience a severe cut under the President's new budget, we feel that it is responsible to stress the need for continuing funding, with extra emphasis placed on additional funding, which should be directed to those areas experiencing tremendous economic hardship as a result of loss of permanent jobs and high level unemployment, such areas as the county that we live in where we have an official record loss of near 46,800 jobs in less than 6 years.

We feel that we cannot make a meaningful and significant impact on this program if our funding is cut in any ways over the next few years. Furthermore, we believe that a special emphasis should be placed on economic development since performance standards have focused on placement. We can train and retrain, but if there is nowhere to place trained and skilled participants everyone is lost.

Additionally, locally elected officials are the closest parties to the people that JTPA was intended to serve. They understand the client group better because they must deal with them on a daily basis. They are the party that receives the flak for unemployment and economic downswing.

The law can do more to effectively address itself to a more involved, continuous participatory role for local elected officials. It can more to address itself to the language that will stimulate small city mayors' interests and attention to overall employment problems and, at the same time, get the larger city mayors to understand that the program is everyone, not just an individual program like CETA.

Moreover, the level of local elected officials' participation needs to be decided, a level of involvement that will reflect a true partnership with the private sector, a relationship where the client, the unemployed and the untrained is the benefactor.

One of the other points is, people do not like to be stereotyped; people do not like to participate in welfare programs. For the purpose of the act, the terminology, "the economically disadvantaged," and other such negative terminology should be reviewed to eliminate the demeaning language to prospective applicants.

In our society an economically disadvantaged person is looked upon as someone who is illiterate, one who receives handouts from the government, and one who is not worthy of being hired by the private sector.

While it is true that a considerable number of applicants receive payments under Federal, State and local welfare programs, and many experience difficulties in competing economically, not all eligible applicants view themselves in this context.

A program responsible for developing self esteem within its client population should move away from such negatives which hinder its ability to effectively market its program to prospective applicants and private sector employers.

The act should address itself to language that would express a quality of confidence and upward mobility, language that will attract, is more easily acceptable to all prospective applicants.

Lastly, some people say that our county employment problems are not unique, but we believe that they are and we further believe that JTPA, as a vehicle, can play a vital role in helping us to resolve some of our employment and economic problems.

Senator, please relay to Congress the need for additional funding, not cuts; the need for a stronger and more meaningful PIC and partnership, where all parties can participate, and the need for constructive language and terminologies that would lend itself to successful program marketing efforts.

Thank you for allowing me to testify before you this afternoon.

Senator QUAYLE. Thank you very much, Commissioner.

Let me just make a brief comment and ask a question. When we sat down to write this legislation we were working off the CETA Program, the CETA Program which, as was said before, was well meaning. It had the same social goals as JTPA, but it got bogged down with a lot of mismanagement, abuse. It had the public service employment patronage, it just simply got out of hand.

We got away from training people; we got into the posture of make-work jobs, leaf-raking jobs—not permanent jobs. What we did, we took a program that the goals were still the same, of trying to train our young people. We added to that the new dislocated worker phenomena that we now have.

Now, where we see people getting laid off, through no fault of their own—they have been working for a steel company or something like that for 10, 15, 20 years, they need help, and they need to get some training. So we added that to the Job Training Partnership Act, the dislocated workers, title II, is part of our concern.

We also felt that it was imperative to get a good cooperation with the people at the local level, that we wanted that public-private participation, that we wanted the PIC to be balanced. We wanted education people, we wanted labor leaders. We wanted the business sector, particularly—meaning the small business where the future of jobs are. As a matter of fact, 80 percent of our new jobs are going to come from small businesses in this country.

We also decentralized the program. In other words, instead of having some GS-15 from the Department of Labor coming out and trying to tell you how to run your program, we said, "We'll let that PIC determine how that program is going to be run, who is going to be the recipient of the funds, who is going to be the provider of the services," because that PIC was key, to get those people that represented the community and to sit down, somewhat in a format like this, and have a discussion on where we ought to be going, what we ought to be doing, have a meeting of the minds and proceed forward.

We also wanted to make sure that there was a great deal of flexibility in the program, that we didn't want to have a lot of bureauracy, that we wanted to see it decentralized.

I wonder, on a comparative basis, if you look at this idea of flexibility, decentralized process, the recruitment of the private sector, particularly of getting them on the PIC, I wonder if you might think for a moment and share with me what you think is the most positive development in making this transition from CETA into JTPA.

We've had JTPA now for 1 year—yesterday was its anniversary, and now we're going on the second program year. I wonder if there is a certain element that you feel very attracted to and much more comfortable with this time around than you did under the old program. I am one of those that believe in a "lessons learned" type of approach, that we learn from our past, that we learn from things that we have done in the past in preparing ourselves better for the future.

Mr. Beasley, do you want to take a crack at that first?

Mr. **Beasley**. Yes. I believe what you're striking at is the very thing I've been thinking about for a long time. I was familiar with the old CETA Program, and it was like everything else—and pardon the expression—that the government runs—pardon that again.

You get a group of people who are at the top echelon; now things are going to come trickling down or go down or go down to the people who—they're just going to be doing it. If they question anything, all of a sudden they've lost their job. You know, it's got to be done the way they want it done, no questions asked.

Also, the paying of students to go to school—this was a farce, as far as I'm concerned; you don't pay kids to go to school. If they want an education, you give them the chance to do it, but also give them a job to where they can earn money and they feel like, "Hey, I'm not going to school to put in 5 hours so I can collect *x* number of dollars to sit back in class to pick my nose." You know, they've got to feel that they are really earning something. This, I think, is quite an impact.

Being familiar, very familiar now, with the private sector, I believe in our 35-member committee I have the most agreeable-disagreeable people you ever saw in your life. We never really agree too much until all the facts are in—and believe me, if there are some facts that are not in, you are going to get questioned. I don't know—I just feel very comfortable with it. I know that everybody there, they're not afraid to talk; they're not afraid to bring up something even if they think, in their own mind, it's ridiculous. We throw it out to them, "Bring it up, come on, let's kick it around. Let's see, there might be some merit to this." Now, 9 times out of 10 there's not any merit, but at least you gave them an opportunity to open up and give their opinions and then when we come down to a vote, we know what we're doing. And I feel very comfortable with that.

Senator **QUAYLE**. Have you been able to recruit some high quality people in the private sector to serve on that PIC?

Mr. **BEASLEY**. Yes, sir. In fact, we have a waiting list. If anybody gets stale, we'll replace them.

Senator **QUAYLE**. Commissioner Podell, do you want to comment on that public-private cooperation? Obviously, they've got quite an agreeable group. Do you want to add to that? Let's get the public sector's viewpoint of that.

Mr. **PODELL**. We have one arrangement which I kind of like, as chairman. We started this right at the outset. The chairman of the local elected officials practically always attends the Private Industry Council meetings, whenever possible. There have been some times when I haven't been able to make it, but most of the time I have attended those meetings, and the chairman or representative from the PIC has attended the local elected officials meetings. This, I think, has been very positive.

I have listened to the arguments and—he's right, they do, they really come through with some real arguments at times, but when I go into a local elected officials' meeting, I know what they've gone through, and I can relate to the rest of the officials what has happened, and I do know they've really thrashed this thing over; and it does make our job a lot easier. And our meetings don't take quite as long as theirs do.

Senator **QUAYLE**. It's not a rubber stamp, is it?

Mr. **PODELL**. No; we go over it. It's not a rubber stamp, I will guarantee you that, but we do—once it's been thrashed through, we have been able to go over it, and I think it's worked out very well.

Senator **QUAYLE**. Have you found that the private sector and the PIC have been able to give you some new, innovative ideas, things of that sort that have been helpful to you?

Mr. **PODELL**. Oh, yes, very definitely.

Mr. **BEASLEY**. And vice versa.

Senator **QUAYLE**. How about Lake County? Do we have an agreeable working relationship here?

Mr. **SPANN**. No question—that's why I'm giving it to Jim Donovan.

Senator **QUAYLE**. All right. We'll let Mr. Donovan speak first, and you can add to it.

Mr. **DONOVAN**. I think our meetings have probably gone as long as theirs, and I think they have pretty well summed up the partnership aspects of the whole legislation. I think that is a big plus, no doubt about it.

I think, also, that another big plus is performance standards—at least, we have something that we know the program is shooting at, and we know that we've either achieved that or we haven't.

Senator **QUAYLE**. Do you want to add to that?

Mr. SPANN. Yes. I think so, Senator, I think that the partnership arrangement that was put together by you and the others in Congress was an excellent idea, because there's no way that the local elected officials, on a government basis, could take care of the unemployment problem. Of course, you have to get involved with the private sector; and I think, for no other reason but getting us together, that we would have to talk.

I think our unique situation here, that might not be occurring across the State, is that we formed the corporation that puts the PIC members—some of the PIC members and the local elected officials together to make sure that the elected officials are involved, because one part of the act, once you get through selecting the PIC and you agree with what they work with, there is very little that you have left for the elected officials to do. So by forming this corporation that keeps the local elected official involved and trying to come up with solutions.

I think, as Jim has said, and the other gentleman has said, about the performance standards, I think, is right on target because it gives you something to shoot at. It also gives you an idea of where you're at.

We received our report the other day of where we are meeting our performance standards—which I have to congratulate our staff. I think they have done an excellent job. But I've still got a problem, because the entered employment rate of the performance standard is somewhere around $5.50.

Well, as you know, that's not a very substantial job when an individual gets something at $5.50, especially in our area when they've been used to working in the mill and making substantially more. So I think the emphasis again is placed back at that private sector on economic development—bring this area back to that economic force that it once was, and taking a page, if you will, out of northeastern Indiana, around the Fort Wayne area, where about 12 years ago they were in worse shape than we are. Now, we can take a page from where they are at now to let us know that this can happen if we start pooling our resources together and start taking advantage of some of the things and working together with other economic forces that we have in northwest Indiana to bring this county back.

But I think that the relationship that bas been formed between the private sector is good. When it first started, no, it wasn't. I don't know whether we distrusted them—I would rather put it that way; but as Jim would say, he distrusted public officials. You and I know that there should be no need to distrust your public officials.

Senator QUAYLE. Absolutely. That's why we are here, to open up this communication.

I will say that when we wrote this legislation, being the primary sponsor of it, that we were very, very sensitive to the fact that if we were going to get a program that's going to work, we've got to have that private sector involvement, and they've got to have real and meaningful responsibility, because if we don't give them the real meaningful responsibility, they're not going to join in and help us solve our problems.

We want to solve problems because we asked for the job, and they're volunteering their time to come down and to work on these problems with us, and to join in and to help serve the community. So it's absolutely essential that we get good, quality people in the private sector; and I think, by and large, we've been satisfied, and it's been—it has been good.

I think that their innovative approach and they are all successful in their area, whether they're business people, labor leaders, or education people, they are take-charge type people, and they're not going to be reluctant to tell you what to do or where to head out periodically, if they think you're wrong. I can see Mr. Beasley probably told the Commissioner over here a time or two—but maybe not.

Be that as it may, I want to thank this panel and just say that this is the relationship that really is the spirit of this whole legislation, of just getting people like yourselves down, at different walks of life, different priorities, but we all share the one priority and that is helping people get jobs. And jobs, unemployment, and economic development is certainly our cause today. So I thank this panel very much.

The next panel is Mr. Ben Luna, Mr. Wally Laird, and Mr. Gary DeHart, Mr. Joe Bibler, Mr. James Blair, Ms. Penny Glardo, and Mr. John Porter.

This is a panel of representatives of the related programs of business and labor, and I'm going to ask our witnesses, if they will, to try to summarize their statement in 3 minutes or less, so we will have time for a couple of questions, and remind them all that the entire written testimony will be made a part of the official record. We have a reporter here that's taking everything down, and what we will do at the end of the 3 minutes is we will probably have someone slip you a note that your 3 minutes has expired, and you can summarize shortly after that.

First on our list is Mr. Benjamin Luna.

STATEMENT OF BENJAMIN T. LUNA, EXECUTIVE DIRECTOR, NORTHWEST INDIANA PUBLIC SCHOOL STUDY COMMISSION, GARY, IN; WALLY LAIRD, FARM SERVICES DIRECTOR, RENSSELAER, IN; GARY DeHART, MANAGER, HUMAN RESOURCES, BETHLEHEM STEEL, CHESTERTON, IN; JOSEPH BIBLER, CHAIRMAN, NORTHERN INDIANA BANK & TRUST, VALPARAISO, IN; JAMES E. BLAIR, MANAGER, REGIONAL PUBLIC AFFAIRS, INLAND STEEL CO., EAST CHICAGO, IN; PENNY GALARDO, MANAGER INDIANA EMPLOYMENT SECURITY DIVISION, MERRILLVILLE, IN; AND JOHN C. PORTER, UNION LIAISON OFFICER, AFL-CIO, HAMMOND, IN

Mr. LUNA. Thank you, Senator. I would like to welcome you to Lake County. There is a mistake, however, in the handout in terms of where I do toil for my daily wage. It's the Lake County Job Training Corp. service delivery area.

Senator QUAYLE. Oh, yes. They've got you on the Kankakee Valley–you didn't move, did you?

Mr. LUNA. No, sir.

Senator QUAYLE. Well, let's get Kankakee first then—let me skip you.

How about Wally Laird. We have Wally Laird who is a PIC member, Farm Services Director, WLQI-WRN Radio, in Rensselaer. Mr. Laird.

Mr. LAIRD. And also a farmer.

Senator QUAYLE. Also a farmer?

Mr. LAIRD. Yes.

Senator QUAYLE. All right, Mr. Laird, go ahead.

Mr. LAIRD. As a result of several happenings, excessive resources were lured into agriculture production during the 1970's. Inflation was rampant, people and corporations went into agriculture as a hedge against future price rises. The dollar was weak and that made our production attractively priced to foreign buyers; demand was excellent, and this encouraged overproduction.

Our tax laws were designed to favor those who bought buildings, livestock, equipment, and other improvements of production. Outside investors put a lot of capital into agriculture in response to tax advantages of accelerated depreciation, investment credit, and capital gains.

Here again, overproduction was compounded. Farmers, as well as other investors were encouraged to plant road to road. Now, the situation is different: the dollar is higher, vis-avis the foreign currencies. Competition from other exporting countries is much greater; inflation is less. These factors all contribute to a reduced demand for our production.

The result is lower commodity prices and a lot of economic stress to those involved in agriculture. I agree that we need to move resources, including people, out of agriculture. Individual farmers and others have little control over the previously mentioned reasons for low prices. In part due to the economic pressure, but also in part due to the soil conservation techniques and new products and technology, fewer people are needed to produce a similar amount of food and fiber.

On my farm, for the first time, two fields had no tillage prior to being planted. This resulted in less labor, fuel, and equipment being used. This trend will continue and add to the need to move resources out of agriculture production.

One might think that farmers would be the most affected by the problem but the experience of the Jasper County Job Training Office is that farm wives and farm workers are the ones who are seeking more help than the farm operators. And also, people in agri-businesses are suffering economic stress, including the loss of jobs.

It seems to me that as we move people out of agriculture, the job training program should continue. Human resources are our most important asset, and it's in our national interest to retrain and reeducate those who choose to leave, or are forced to leave jobs in declining industries, declining from the standpoint that fewer people are needed.

Transportation is a problem unique to rural counties. There are situations where clients need transportation in traveling to job training centers or to a place of training. Transportation funds in certain situations would be useful.

Senator QUAYLE. Thank you, Mr. Laird.

Also, the Kankakee Valley Job Training Program, Mr. Gary DeHart is a PIC member; manager of Human Resources, Bethlehem Steel in Chesterton. Mr. DeHart.

Mr. DEHART. I am Gary DeHart, human resources manager, Bethlehem Steel at the Burns Harbor Plant, and former Private Industry Council Chair of the Kankakee Valley Job Training Program.

In June 1983, when the Private Industry Council of the Kankakee Valley Service Delivery Area was certified, 35 members of the private sector from six counties came together to work with our local elected officials.

We made some difficult decisions on the job training needs of our citizens and our communities and how these services would be delivered. For nearly 6 months, the PIC met biweekly to educate themselves, first, on employment and training; and, second, to plan for delivery of services to the eligible citizens in our communities.

To this date, we are pleased with the results. Our performance continues to improve each month, showing gains in all areas. After 11 months of program year 1984, our performance is exceeding our standard in 6 of 7 areas.

The emphasis and priority given to including employers in on-the-job training approach has provided cost-effective, quality training and placement opportunities for our unemployed citizens.

From July 1, 1984, through May 31, 1985, 163 contracts have been written, through 450 participants have been trained and placed. These contracts have offset initial hiring and training costs incurred by the private sector employer to the amount of $575,000, which is a little over 25 percent of our total expenditures.

I believe this fact speaks strongly in support of the partnership approach between public and private sectors.

An overall concern of the private sector in regards to JTPA is the fluctuation involved in funding. In the private sector, businesses that falter often have had either cash flow problems, or grow so quickly that a plan of action has not been developed. I believe that JTPA is no different.

Forward funding is critical to JTPA's success. A potential hold-harmless provision applied to the service delivery area is also necessary. This should coincide with the approval of a 2-year plan to avoid volatile programatic contracting, or operating shifts in our local area. These changes could destroy or damage the credibility of the program, particularly from a business perspective.

I believe there has been a positive reception from the business community to employment and training services under JTPA. The partnership approach of joining the private and public sectors to help bring to the unemployed, economically disadvantaged and dislocated workers is working.

I hope that Washington continues to be sensitive to the needs of the local business communities and continues to allow JTPA operations to maintain local flexibility and direction.

Thank you.

[The prepared statement of Mr. DeHart follows:]

TESTIMONY TO
SENATOR DAN QUAYLE
ON
OVERSIGHT OF THE
JOB TRAINING PARTNERSHIP ACT

TESTIMONY BY:

GARY W. DEHART
MANAGER, HUMAN RESOURCES
BETHLEHEM STEEL CORPORATION
PRIVATE INDUSTRY COUNCIL/
KANKAKEE VALLEY JOB TRAINING
PROGRAM

I AM GARY DEHART, HUMAN RESOURCES MANAGER FOR BETHLEHEM STEEL AT THE BURNS HARBOR PLANT AND FORMER PRIVATE INDUSTRY COUNCIL CHAIR OF THE KANKAKEE VALLEY JOB TRAINING PROGRAM. I AM MOST PLEASED THAT I HAVE BEEN GIVEN THE OPPORTUNITY TO TESTIFY IN THESE JTPA OVERSIGHT HEARINGS.

IN JUNE OF 1983, THE PRIVATE INDUSTRY COUNCIL OF THE KANKAKEE VALLEY SERVICE DELIVERY AREA WAS CERTIFIED BY THE GOVERNOR. THIRTY-FIVE MEMBERS OF THE PRIVATE SECTOR FROM SIX COUNTIES CAME TOGETHER TO WORK WITH OUR LOCAL ELECTED OFFICIALS TO MAKE SOME DIFFICULT DECISIONS ON THE JOB TRAINING NEEDS OF OUR CITIZENS AND COMMUNITIES AND HOW SERVICES WOULD BE DELIVERED TO THOSE UNEMPLOYED INDIVIDUALS. FOR NEARLY SIX MONTHS, THE PIC MET BI-WEEKLY TO EDUCATE THEMSELVES ON EMPLOYMENT AND TRAINING IN GENERAL, AND, SECOND, TO PLAN FOR DELIVERY OF SERVICES TO THE ELGIBILE UNEMPLOYED CITIZENS IN OUR COMMUNITIES. WITH THIS FOCUS, OUR ANALYSIS, EVALUATION, AND POLICY-MAKING CENTERED AROUND THE PRIVATE SECTOR NEEDS. STATED SIMPLY, THE NEEDS WERE TO PROVIDE OUR BUSINESS WITH A QUALIFIED, WELL-TRAINED WORKFORCE AT THE LOWEST POSSIBLE COST, FACTORING IN THE ECONOMY OF SCALE AND OUR CURRENT ECONOMIC AND UNEMPLOYMENT STATUS.

TO THIS DATE, WE ARE PLEASED WITH THE RESULTS. OUR PERFORMANCE CONTINUES TO IMPROVE EACH MONTH, SHOWING GAINS IN ALL AREAS. AFTER 11 MONTHS OF PROGRAM YEAR 84, OUR PERFORMANCE IS EXCEEDING OUR STANDARDS IN SIX OF THE SEVEN AREAS.

THE EMPHASIS AND PRIORITY GIVEN TO INCLUDING EMPLOYERS IN THE ON-THE-JOB TRAINING APPROACH HAS PROVIDED COST-EFFECTIVE, QUALITY TRAINING AND PLACEMENT OPPORTUNITIES FOR OUR UNEMPLOYED CITIZENS. FROM JULY 1, 1984 THROUGH MAY 31, 1985, 163 CONTRACTS HAVE BEEN WRITTEN THROUGH WHICH 450 PARTICIPANTS HAVE BEEN TRAINED AND PLACED. THESE CONTRACTS HAVE OFFSET INITIAL HIRING AND TRAINING COSTS INCURRED BY THE PRIVATE SECTOR EMPLOYER TO THE AMOUNT OF $575,000, WHICH IS A LITTLE OVER 25% OF ALL OUR EXPENDITURES. I BELIEVE THIS FACT SPEAKS STRONGLY IN SUPPORT OF THE PARTNERSHIP APPROACH BETWEEN THE PUBLIC AND PRIVATE SECTORS.

JTPA, AS A PIECE OF LEGISLATION, HAS SIGNIFICANT STRENGTHS. IT ALSO HAS AREAS WHICH MAY NEED TO BE REVIEWED FOR FEDERAL REGULATORY MODIFICATIONS OR FURTHER STATE INTERPRETATION.

AN OVERALL CONCERN OF THE PRIVATE SECTOR IN REGARDS TO JTPA IS THE FLUCTUATION INVOLVED IN FUNDING. IN THE PRIVATE SECTOR, BUSINESSES THAT FALTER OFTEN HAVE HAD EITHER CASH FLOW PROBLEMS OR GROW SO QUICKLY THAT A PLAN OF ACTION HAS NOT BEEN DEVELOPED TO INCORPORATE THAT GROWTH. JTPA IS NO DIFFERENT. IT IS A BUSINESS, A BUSINESS WHICH CAN SUCCEED IF MINOR FUNDING CHANGES OCCUR. FORWARD FUNDING IS CRITICAL TO JTPA'S SUCCESS; A POTENTIAL HOLD-HARMLESS PROVISION APPLIED TO THE SERVICE DELIVERY IS ALSO NECESSARY. THIS SHOULD COINCIDE WITH THE APPROVAL OF A TWO-YEAR PLAN TO AVOID VOLATILE PROGRAMMATIC CONTRACTING, OR OPERATING SHIFTS IN OUR LOCAL AREA ON AN ANNUAL BASIS. THESE

CHANGES COULD DESTROY OR DAMAGE THE CREDIBILITY IN THE PROGRAM, PARTICULARLY FROM A BUSINESS PERSPECTIVE.

I BELIEVE THERE HAS BEEN A POSITIVE RECEPTION FROM THE BUSINESS COMMUNITY TO EMPLOYMENT AND TRAINING SERVICES UNDER JTPA. THE PARTNERSHIP APPROACH OF JOINING THE PRIVATE AND PUBLIC SECTORS TO BRING HELP TO THE UNEMPLOYED, ECONOMICALLY DISADVANTAGED, AND DISLOCATED WORKERS IS WORKING. I HOPE THAT WASHINGTON CONTINUES TO BE SENSITIVE TO THE NEEDS OF THE LOCAL BUSINESS COMMUNITIES AND CONTINUES TO ALLOW JTPA OPERATIONS TO MAINTAIN LOCAL FLEXIBILITY AND DIRECTION.

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Senator QUAYLE. Thank you. I can assure that it will.

Also, the last witness from the Kankakee area, Mr. Joseph Bibler who is the former chairman of the Northwest Indiana Forum, and the chairman of Northern Indiana Bank and Trust of Valparaiso.

Mr. Bibler, welcome.

Mr. BIBLER. Good afternoon, Senator, and thank you.

I am, as you say, Joseph Bibler. I am very pleased to be here today concerning the Job Training Partnership Act. I am chairman and chief executive officer of the Northern Indiana Bank and Trust Co., and have been, for the past year, chairman of the Northwest Indiana Forum, a post that I just relinquished yesterday.

In the immediate geographic area of northwest Indiana, two JTPA agencies have jurisdiction: of course, the Lake County Job Training Corp., and the Kankakee Valley Job Training Program.

While the two areas have noticeable differences in approach, the job training and placement task is nothing less than monumental for both agencies.

Area-wide unemployment hovers at fully twice the national average. During the past 5 years, establishment employment in Lake and Porter Counties alone has decreased by a staggering 51,800 jobs. Over 10 million square feet of industrial space in northwestern Indiana sits vacant. Not surprisingly, poor relief budgets are literally bankrupting selected government bodies in the areas.

It should also come as no surprise then that the costs to successfully train and place individuals in this area are among the highest, particularly in Lake County, exceptionally hard hit economically.

We recognize that the second full year of the program has just ended, and that only the immediate past year can be used to interpret performance standards, since the first year was transitional with high startup costs.

Still, as responsible citizens and taxpayers, we simply cannot afford to continue to pay between $12,000 and $19,000 to train and place our people. The cost in northwest Indiana alone might exceed one-half of a billion dollars at that price.

Instead, we must find more creative solutions than we have been pursuing to date. We must use JTPA funds to create jobs where none exist. Employment-generating services are of primary value, but we should not be tied to rigid percentage maximums for employment generation in areas with a rapidly declining job base, such as northwest Indiana.

I can think of no more useful purpose for JTPA funds than to help create job opportunities where there have been none. JTPA could encourage the creation of incubation centers where unemployed, underemployed, and dislocated workers can learn how to start their own enterprises.

JTPA funds could be offered as substantial incentives to new, entrepreneur-driven, startup companies. In a marketplace that has been decimated by loss of jobs and that still has signs of declination, retraining is not only frustrating, but seemingly futile. What can you train a person to do that will result in a job?

Further, in any job creation activities, linkages with other agencies working in economic development, community development, job training, and employment must be strengthened. Although a great deal of discussion has centered around the linkage concept in JTPA, action has not always been the result.

The dislocated steelworker in northwestern Indiana, for example, would be best advised to shop around rather extensively for job training and placement services funded by JTPA. Inland and U.S. Steel offer laid-off workers such services through their own companies, funded, in part, by JTPA.

A separate dislocated workers project, also funded, in part, by JTPA, and administered by the Indiana State AFL-CIO only recently closed its doors. The two job training corporations and the State employment security division each offer services as well, but each at separate locations, and each under separate administrative mechanisms.

I see that my 3 minutes have expired.

Senator **Quayle**. Go ahead and summarize, if you want to.

Mr. **Bibler**. There's much, certainly, of the job training that is excellent and good. Recently, Indiana's job training and employment agencies were consolidated under the Office of the Lieutenant Governor, the director of Indiana's aggressive Department of Commerce. This kind of coordination can only help alleviate the kinds of problems just mentioned.

In addition the Lake County Job Training Corporation quite recently approved a substantial contribution of JTPA funds to the Northwest Indiana Forum for regional economic development activities. And that's an area that I could expand on a great deal—it's the only thing that I really feel qualified to talk about, and that is the very, very much importance of the Northwest Indiana Forum as an organization, a coalition of the leadership of the three counties, Lake, Porter, and LaPorte, in bringing together the cross-hatched elements of our whole social fabric in an effort to increase employers, create jobs and that sort of thing.

It's one thing, I believe, here to consider what the forum is doing is putting teamwork personified. It's effective and results-oriented, aggregation of leaders endowed with resolve to reshape the destiny of this area.

Too many of us have been living on past memories. For too many years, management, labor, and Government have been too well adapted to the markets and competitive situation.

Since 1980 when competition took on a whole new meaning, our sobering experiences have left us with no options but to cling together for our common good and pull ourselves up from the low level position of economic dormancy.

And now the JTPA, one could well conclude then that administrative system itself is quite workable, particularly where creativity and real-life linkages are rewarded. But I would like to call your attention to one other aspect of JPTA and its administrative system.

As I understand it, private industry is charged, by law, with substantial responsibility for its success. Now, private industry, in my way of thinking, means that sector of the community dedicated to making a profit and creating private, unsubsidized jobs in the process.

However, in JTPA, private industry apparently took on a number of other meanings and the majority of players in JTPA policy locally are clearly not from the sector which I just described.

In fact, of 26 individuals on the boards of the two area corporations, only three are there representing profitmaking enterprises. Notwithstanding a number of local elected officials who also operate businesses away from their public duties, these indicators suggest a substantial departure from private sector responsibility, as I view it.

One certainly cannot blame public officials for dedicated involvement, but once again the business community is largely outside the process, looking in.

Senator, I personally applaud you for all of your efforts. We are impressed, certainly, with all the quality of people. We would like to see more stress on the relationship with private industry, representation on the corporations, vis-a-vis the Councils.

Thank you.

[The prepared statement of Mr. Bibler follows:]

TESTIMONY BEFORE THE EMPLOYMENT AND PRODUCTIVITY SUB-COMMITTEE OF THE SENATE LABOR AND HUMAN RESOURCES COMMITTEE
JULY 2, 1985

I am Joseph W. Bibler. I am pleased to address you today concerning the Job Training Partnership Act, or JTPA. I am Chairman and CEO of Northern Indiana Bank and Trust Company, and have been for the past year Chairman of the Northwest Indiana Forum, a post just relinquished yesterday.

In the immediate geographic area of Northwestern Indiana, two JTPA agencies have jurisdiction: the Lake County Job Training Corporation, and the Kankakee Valley Job Training Program.

While the two areas have noticeable differences in approach, the job training and placement task is nothing less than monumental for both agencies.

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It should also come as no surpise, then, that the costs to successfully train and place individuals in this area are among the highest, particularly in Lake County, exceptionally hard hit economically.

We recognize that the second full year of the program has just ended and that only the immediate past year can be used to interpret performance standards, since the first year was transitional with high start-up costs.

Still, as responsible citizens and taxpayers, we simply cannot afford to continue to pay between $12,000 and $19,000 to train and place our people. The cost in Northwestern Indiana alone might exceed half a billion dollars at that price.

Instead, we must find more creative solutions than we have been pursuing to date. We must use JTPA funds to create jobs where none exist. Employment generating services are of primary value. But we should not be tied to rigid percentage maximums for employment generation in areas with a rapidly declining job base, such as Northwestern Indiana.

I can think of no more useful purpose for JTPA funds than to help create job opportunities where there have been none.

JTPA could encourage the creation of incubation centers where unemployed, underemployed, and dislocated workers can learn how to start their own enterprises.

JTPA funds could be offered as substantial incentives to new, entrepreneur-driven, start-up companies. In a marketplace that has been decimated by loss of jobs and that still has signs of declination, re-training is not only frustrating but seemingly futile. What can you train a person to do that will result in a job?

Further, in any job creation activities, linkages with other agencies working in economic development, community development, job training, and employment, must be strengthened. Although a great deal of discussion has centered around the linkage concept in JTPA, action has not always been the result.

The dislocated steelworker in Northwestern Indiana, for example, would be best advised to "shop around" rather extensively for job training and placement services funded by JTPA. Inland and U.S. Steel offer laid-off workers such services through their own companies, funded in part by JTPA. A separate dislocated workers project, also funded in part by JTPA, and administered by the Indiana State AFL-CIO only recently closed its doors. The two job training corporations, and the State Employment Security Division each offer services, as well, but each at separate locations, and each under separate administrative mechanisms.

However, much of the news in job training is good.

Recently, Indiana's job training and employment agencies were consolidated under the office of the Lieutenant Governor, the director of Indiana's aggressive Department of Commerce. This kind of coordination can only help alleviate the kinds of problems just mentioned.

In addition, the Lake County Job Training Corporation quite recently approved a substantial contribution of JTPA funds to the Northwest Indiana Forum for regional economic development activities.

I would like to expand on the activities of the Forum, for that is the only thing I can lay claim to knowledge about; I am anything but an informed person about job training, per se.

The Northwest Indiana Forum, in my judgment, represents the greatest potential for bringing recovery and a resurgence of enterprize back to our area. It is a coalition of the leadership of the counties of Lake, Porter, and LaPorte, with strong representation from the ranks of business, industry, labor, government, religion, and academe dedicated to promoting a diversified economic base through the retention, expansion, creation, and attraction of employment opportunities.

It is teamwork personified. It is the most effective, results-oriented aggregation of leaders endowed with resolve to reshape the destiny of this area.

Too many have been trying to live on past memories. For too many years, management, labor, and government had become too well adapted to the markets and the competitive situation.

Since 1980 when competition took on a whole new meaning, our sobering experiences have left us with no options but to cling together for our common good and pull ourselves up from this low-level position of economic dormancy.

And now back to JPTA. One could well conclude, then, that the administrative system itself is quite workable, particularly where creativity and "real-life" linkages are rewarded.

But, I would like to call your attention to one other aspect of JTPA and its administrative system.

As I understand it, private industry is charged, by law, with substantial responsibility for JTPA success.

Now, private industry, in my way of thinking, means that sector of the community dedicated to making a profit and creating private, unsubsidized jobs in the process. However, in JTPA, "private industry" apparently took on a number of other meanings. The majority of players in JTPA policy locally are clearly not from the sector which I just described.

In fact, of twenty-six individuals on the boards of the two area JTPA corporations, only three are there representing profit-making enterprises. Notwithstanding a number of local elected officials who also operate businesses away from their public duties, these indicators suggest a substantial departure from private sector responsibility, as I view it.

One certainly cannot blame public officials for dedicated involvement, but once again, the business community is largely outside the process, looking in.

Senator Quayle, I personally applaud you for your role in the creation of JTPA, unquestionably the most responsive employment and training bill passed to date. However, as you consider legislative amendments to the Act, please examine the principles I have outlined:

1. Encourage creative problem solving approaches to economic development in areas with declining job bases, using JTPA funds.

2. Improve further the coordination among federally funded, locally administered job training programs, and

3. Define even more clearly the role which you see for the private, profit-making sector.

Thank you.

Senator QUAYLE. Thank you very much, Mr. Bibler.

Now we will turn to the Lake County Job Training Program and back to Ben Luna who's the executive director of the Northwest Indiana Public School Study Commission of Gary.

Mr. LUNA. Thank you, Senator. Once again, I would like to welcome you to Lake County on behalf of the 16 public school superintendents here in Lake County.

My position affords me the opportunity with in-school youth, 16 through 21 and, of course, during the summer period, those 14 through 21.

My testimony will be based on recommendations over the last year's program operations and then I will summarize at that point.

For the last number of months, working under the JTPA legislation, the following recommendations have come about through that work and working with related agencies and personnel, ongoing evaluation for the purpose in the program of improving the various aspects of the program, either during the program year or for the next year's operation. I need to stress "ongoing evaluation" so that we can realize improvement in all aspects.

In addition, ongoing monitoring, which may not be the same and is not the same as the evaluation, and the timely availability of technical assistance to be provided when deemed necessary. Also, scheduled preservices and inservice conferences to discuss and clarify pertinent information and detail to contractors, as well as to those participating in the program.

The raising of the income guidelines in order to serve more people in need who have been affected by the high unemployment rate, particularly in this area. We missed just numbers of students throughout and, obviously, you've got to set a line somewhere, but we do know that if that were raised somehow we would, of course, include many more students' needs.

A greater emphasis on agency coordination in order to realize more positive results and benefits in agencies such as the Veterans Administration, Vocational Rehabilitation, the U.S. Employment Service, community based organizations, vocational education facilities, and public schools in general.

A need to more clearly define lines of communication to community groups for the purpose of conveying information to the many diverse groups located in our county.

The continuation of performance contracts so that successful contracting is rewarded for accomplishing and achieving.

Flexibility was mentioned a few minutes ago, and although there's a need for flexibility, particularly when one is attempting to get a program into gear, I think now is the time to take a closer look and look at the accountability on the part of all.

Tryout employment which is a part of the program should not only be continued, but expanded. I think it speaks to the employers in the communities throughout. Our experience has been that the employers, of course, take to tryout employment much more readily than the OJT, obviously because of the 100-percent reimbursement, as compared to the 50-percent reimbursement.

I can tell you, though, statistically, they are keeping most of the students that we're putting to work at the end of the trial.

A need for indepth system of followup after placement in order to observe and study the reasons or conditions why some stay on the job while others do not.

Economic development units or staff should be in place with subcontractors for the purpose of encouraging job development and job creation, as well as coordination with affected agencies and groups.

Curriculums at the elementary, secondary, and university levels offering courses in economic development, and keying in on the present available job market, as well as the future job market, and to train potential workers for those jobs.

The Summer Youth Employment and Training Program—it would, of course, help tremendously if earlier notification of funding level so that participant identification and placement can be realized in both the private and public sectors, particularly when placing individuals with special needs. This is of utmost importance; we have had some difficulty with that.

My time is up, so let me stop here.

Senator **Quayle**. Your entire statement will be put into the record as if given.

[The prepared statement of Mr. Luna follows:]

THE NORTHWEST INDIANA

PUBLIC SCHOOL STUDY COUNCIL

YOUTH EMPLOYMENT SERVICES

5185 Broadway Gary, Indiana 46409 (219) 884-9122

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Mr. Benjamin T. Luna
Executive Director

July 2, 1985

Senator Dan Quayle and the U.S. Senate Labor and
Human Resources Committee:

In presenting testimony this afternoon, I am reporting on a group summary of a Dialog Day held in Merrillville, Indiana on March 19, 1985, having to do with partnership and economic development, recommendations pertaining to the program operations under the Job Training Partnership Act legislation for the previous year, statistical report on program operations under the Northwest Indiana Public School Study Council, which is a consortium of the sixteen (16) school corporations located in Northwest Indiana.

Respectfully submitted,

Benjamin T. Luna

Benjamin T. Luna
Executive Director

NORTHWEST INDIANA PUBLIC SCHOOL STUDY COUNCIL

DIALOG DAY CONFERENCE
March 19, 1985

GROUP SUMMARY

I. Identified Needs of Business

"Basic skills" should be improved particularly effective communication.

Also, attitude change, personal development and continuing education.

Business and industry needs to join partners to participate more in the education of students and making the schools more aware of what they need to be doing.

Responsibility and dedication to the concept of work to reflect quality of product and accountability.

"Computer Literacy"

A graduate with a good understanding of responsibility.

To what level should a prospective employee be trained?

How does business help a student or new employee overcome a lack of self-esteem?

It is necessary that busines/industry play a key role in developing a curriculum that will prepare persons to meet their employment needs.

II. Identified Needs of Education

1. Need for a process to develop, design, and compliment a curriculum that reflects and restores education, business and industry, and government to their proper places in our society with representatives from business, education, industry, and government.
2. A need to critically analyze and develop criteria for prospective clients interested in going into teachers training.
3. A need to present organizational and operational design of schools to reflect and insure that learning becomes the constant and time the variable.
4. Keep us informed of update on new technology and put a stop to the hiring away of teachers and professors.
5. It seems as though business and industry is not addressing itself to the needs of average or low students.
6. A need to expand the Junior Achievement Program.

III. Possible Activities

Fairs

Employers visit schools to make students aware of future needs and work with instructors with more awareness.

Felxible scheduling so that accessibility to industry and business is conducive to stated objectives of business and education working more closely with schools.

Also, business and industry permits visitation of students, parents, and school personnel to their classes of business.

Parental involvement is a MUST in the improvement of attitudes on part of students.

A need for active "advisory committees."

IV. Desired Outcome

1. Assesement of students in our educational systems so that they can be challenged in areas that are appropriate to their interests, skills, and desires.
2. Proposed Economic Development subjects or topics as part of over all curriculum beginning in the lower grades through the college level.
3. Lessen drop-out rates by identifying problem, solving and getting students back into school, training, or in a job.
4. More dialog days.

GENERAL SUMMARY

1. Communication between government, business, individual and education.
2. A need to design curriculum with input by those expect in fields of government, education, business, industry, and labor.
3. Accessibility to schools a MUST as well as the business, labor, government, and industrial sites.
4. Parental involvement must be in place from pre-school level to university level.
5. Business/Industry and Government/Education should all play a hand to provide day care centers.
6. Drop-out rate needs to be studied by labor, education, business, industry, and government in order to rectify problems associated with large numbers dropping out of school.
7. A steering committee needs to be organized immediately after this meeting in order to continue dialog, projects, and activities that will address themselves to problems at hand.
8. Need for umbrella or regional group to address itself to problem areas identified in todays conference.
9. A need to expose students to careers from early age in primary grades through high school and university levels.
10. Pre-employment and employability skills needs to be a part of the basic curriculum beginning with elementary school.

11. Students should be trained to be flexible and be able to do more than one job.

12. The need for retraining at different levels and a curriculum that reflects economic development.

13. Do not move students along through lower grades if they do not meet basic grade level objectives.

14. Effective communicative skills are needed at all levels with special emphasis on skill of listening in order to follow verbal instruction.

15. What does business and industry mean when they say "computer literacy" and "basic skills"? A need to define terminology.

16. A need to target identified populations, drop-outs, low achievers, teenage pregnancy.

RECOMMENDATIONS

1. On-going evaluation for the purpose of improving the various aspects of the program, either during the program year or for the next year's operation.

2. On-going monitoring and the timely availability of technical assistance to be provided when deemed necessary. Also, scheduled pre-service and in-service conferences to discuss and clarify pertinent information and detail.

3. The raising of the income guidelines in order to serve more people in need who have been affected by the high unemployment rate in the area.

4. A greater emphasis on agency coordination in order to realize more positive results and benefits. (V.A., I.S.E.S., C.B.O., VOC. ED., SCHOOLS, L.C.J.T.C.)

5. A need to more clearly define lines of communication to community groups for the purpose of conveying information to the many diverse groups located in the county.

6. The continuation of performance contracts so that successful contracting is rewarded for accomplishing and achieving.

7. Try Out Employment should not only be continued but expanded.

8. A need for an in-depth system of follow-up after placement in order to observe and study the reasons or conditions why some participants stay on the job while others do not.

9. Economic development "units" or staff should be in place with subcontractors for the purpose of encouraging job development, and job creation as well as coordination with affected agencies and groups.

10. Curriculums at the elementary, secondary and university levels offering courses in Economic Development, and keying in on the present available job market as well as the future job market and to train potential workers for those jobs.

11. Summer Youth Employment & Training (S.Y.E.T.P.) - earlier notification of funding level so that participant identification and placement can be realized in both the private and public sectors - particularly when placing individuals with special needs.

12. The implementation of classroom instruction utilizing a curriculum that projects and stresses employability skills.

13. More programming for participants with "special needs" and the establishing of a public information system to convey necessary data to the public at large and agency personnel in order to make intelligent decisions relative to the above group.

14. To further develop an awareness of the skill needs of employers (personal, academic and occupational skills).

15. A need for overall communication between all parties, to enhance participation, cooperation, trust and productivity.

16. A quality work force must be in place and education is on-going which involves re-training of this work force and this could take one (1) week to two (2) years.

17. Employers should review their hiring systems to determine if the skills they seek in employees (competencies) are truly needed in the jobs they offer. This information then should be made known to professional curriculum planners. Students leaving high school should have learned at least one marketable vocational skill they can use, whether they plan to continue their education or not.

18. Parents should play an extremely important role in the attitudinal development of their child, and must lay the groundwork which can help the child develop career interest and plans.

19. "Work Experiences" should be weighted as much as the Classroom Training hours and the actual job placement of students (experience concept).

20. Continued emphasiss with identified target groups, particularly that with "special needs", drop-outs, illiteracy and teen-age pregrency.

21. To achieve stated goals and objectives a need exists to coordinate effectively with targeted agencies such as the courts, police departments and juvenile correctional facilities.

NORTHWEST INDIANA PUBLIC SCHOOL STUDY COUNCIL

THE 1984-85 YEAR ROUND PROGRAM

Report as of Week Ending
June 28, 1985
Respectfully Submitted by June Messinio

	Enrolled	Completed	#of Drops	%of Drops
BASIC	178	159	19	10.7%
STATE	63	62	1	1.6%
TOTAL	241	221	20	8.3%

% OF COMPLETION RATE OVER CONTRACT

	Planned Completions	Actual Completions	% over contract
BASIC	140	159	13%
STATE	48	62	29%
TOTAL	188	221	18%

%s of those completing ClassRoom Training and being placed into:

	+ O.J.T.	CRT Completion		% ending up in O.J.T.
BASIC	14	159	(14/159)	9%
STATE	-	-		-
TOTAL	14	159		9%

	+ T.O.E.			% ending up in T.O.E.
BASIC	50	159	(50/159)	31%
STATE	26	62	(26/62)	42%
TOTAL	76	221	(76/221)	34%

	UNSUBSIDIZED			% ending up in Unsub.
BASIC	52	159	(52/159)	33%
STATE	17	62	(17/62)	27%
TOTAL	69	221	69/221)	31%

+ O.J.T. - On The Job Training (240 hours)

+ T.O.E. - Try Out Employment (210 hours)

PLACEMENTS

O.J.T.

	Contracted to Place	# of Actual Placements	% Placed
BASIC	15	14	93%
STATE	--	--	--
TOTAL	15	14	93%

T.O.E.

BASIC	50	50	100%
STATE	30	26	86.7% *
TOTAL	80	76	95%

UNSUBSIDIZED

BASIC	28	52	186%
STATE	10	17	170% *
TOTAL	38	69	181%

* State contract runs until August 31, 1985

UNSUBSIDIZED PLACEMENTS

DIRECT UNSUBSIDIZED PALCEMENTS

BASIC	22
STATE	14
TOTAL	36

O.J.T. --------------- UNSUBSIDIZED

-- Of the 14 O.J.T. placements 9 were placed into UNSUBSIDIZED placements (9/14). Thus, 64% were placed from O.J.T.s into unsubsidized employment.

T.O.E. --------------- UNSUBSIDIZED

-- Of the 50 T.O.E. placements 21 have been placed into UNSUBSIDIZED placements (21/50). Thus, 42% were placed from T.O.E.s into unsubsidized employment. (BASIC)

-- Of the 26 T.O.E. placements 3 have been placed into UNSUBSIDIZED placements (3/26). Thus 11.5% were placed from T.O.E.s into unsubsidized employment. (STATE)*

-- Of the 76 ..O.E. placements 24 have been placed into UNSUBSIDIZED placements (24/76). Thus, 31.6% were placed from T.O.E.s into unsubsidized employment.

	DIRECT	O.J.T.	T.O.E.	TOTAL
BASIC	22	9	21	52
STATE	14	-	3	17
TOTAL	36	9	24	69

-- Of the 52 (BASIC) Unsubsidized Placements 30 have been absorbed from OJT (9) and TOE (21). Thus, 57% have been absorbed (30/52)...17% from OJT (9/52) and 40% from TOE placements.

-- Of the 17 (STATE) Unsubsidized Placements 3 have been absorbed from T.O.E. Thus, 18% have been absorbed from T.O.E. palcements (3/17).*

-- Of the 69 (TOTAL) Unsubsidized Placements 33 have been absorbed from OJT (9) and TOE (24). Thus 48% have been absorbed into unsubsidized employment (21/52).

* State contract runs until August 31, 1985.

NORTHWEST INDIANA PUBLIC SCHOOL STUDY COUNCIL

Year Round Program Participants Report

PROGRAM/SCHOOL	PLANNED ENROLLMENT	ACTUAL ENROLLMENT	PLANNED COMPLETIONS	ACTUAL COMPLETIONS	PLANNED OJT'S	ACTUAL OJT'S	PLANNED UNSUB.	ACTUAL UNSUB.	PLANNED TRYOUTS	ACTUAL TRYOUTS
BASIC	175	178	140	159	15	14	28	52	50	50
* EXPANDED STATE	60	63	48	62	0	0	10	17	30	26
TOTAL	235	241	188	221	15	14	38	69	80	76
Calumet High	5	11		6				4		4
M.L.K.	3	22 1*		20 1*				1		8 5
Mann	12	12 22*		12 22*		2		3 + 6*		4 4*
Roosevelt	25	28 1*		24 1*				6 + 1*		9
Lew Wallace	17	17 2*		14 2*		2		6		6 1*
West Side	16	11 2*		10 2*		3		5		3 1*
Wirt	7	3		2						
Crown Point	2	1		1		1				
Hanover	4	1		1		1		1		
Hobart	4	3 3*		3 3*				2*		1 1*
Lake Central	5	5		5				1		1
Lake Station	5	13 2*		13 2*		3		8 -2*		3 1*
Lowell	2	0								
Merrillville	4	4 3*		4 3*				1 2*		2 3*
River Forest	7	2 2*		2 2*		1		1 1*		1*
Griffith	2									
Hammond	13	8 25*		8 24*		1		2 3*		1 14*
Clark	5	2		2						5
Gavit	8									
Morton	4	1		1						
Highland	2									
Munster	2									
Whiting	2									
E.C. Roosevelt	9	24		22				8		5
E.C. Washington	10	10		9				5		2

REPORT - as of week ending

June 28, 1985

Training & Completions at:

Gary Career Center	65
Hammond Career Center	11
DeLa Garza Center	9

Prepared by:
June Massinio

Senator QUAYLE. Next is James Blair who is the coordinator for the Dislocated Worker Program; manager of the regional public affairs of Inland Steel Co. in East Chicago.

Mr. Blair.

Mr. BLAIR. Thank you, Senator, for the opportunity of testifying; and thank you, too, Renee. I can appreciate all the hard work that went into arranging this hearing.

Let me just preface my remarks by quickly saying that my focus here is on the Dislocated Workers Program. I know little else about the JTPA Program. The involvement I have had to date is strictly in the dislocated worker area.

Like the panelists who have preceded me, I will stay with my script, but in anticipation of the short time allowed each witness, mine is brief.

As you know, Inland and local 1010 of the United Steelworkers of America have jointly sponsored a Dislocated Workers Center, which has been in operation since February of this year.

It is projected that we will have served nearly 2,000 participants in this center by April 1 of 1986, which is the time that our program year terminates, including both hourly and salaried employees laid off as a result of cutbacks and a reorganization of the Indiana Harbor Works.

Many dislocated workers have, in the course of our program, already discovered job opportunities which make excellent use of their considerable skills—far more opportunities than they thought existed. Still, it is clear to us that there may not be a sufficient number of jobs available to permit everyone to work. As a result, many dislocated workers may be compelled to leave the region for other employment.

This outward migration of workers, many of whom possess highly marketable skills, drains the communities of their talent, and has a further negative impact on an already depressed local economy.

To prevent this from occurring, we believe that what is needed in conjunction with the reemployment services our and other similar programs provide—is a mechanism for linking such services to economic development. This linkage is necessary for the creation of jobs, thereby ensuring the future economic vitality of the region.

The Inland-Local 1010 Dislocated Worker Program has taken a step in this direction through the establishment of an entrepreneurial training program within the Job Search Center. This comprehensive program first identifies potential entrepreneurs and then assists them in developing well-thoughtout business plans.

Simultaneously, we have set up a business incubator and are developing a network of support services within the community to enhance business startups and success. Our expectation is that many of these businesses will provide jobs for one or two people, and we have identified a few that have the potential to create hundreds of jobs for the region.

JTPA-funded programs should, at the level of the individual participants, encourage and guide them to take positive, active and independent steps toward finding for themselves fulfilling work, and at the community-regional level, serve as catalysts for the identification, the encouragement and nurturing of entrepreneurial talent which can create jobs for the entire region.

That concludes my remarks.

Senator QUAYLE. Thank you very much, Mr. Blair.

Next is Ms. Penny Galardo, a PIC member. She is the manager of the Indiana Employment Security Division.

Ms. Galardo.

Ms. GALARDO. Thank you, Senator Quayle.

Good afternoon, Senator, ladies and gentlemen. My name is Penny Galardo. I am the manager of the Merrillville Office of the Indiana Employment Security Division, and a member of the Lake County PIC.

Lake County, as you know, has endured 5 very hard economic years. Unemployment here has been in the doubledigit figures for quite some time. The steel industry, which is and always has been the backbone of our local economy, has undergone several retrenching and streamlinings.

Many individuals have been permanently displaced from their jobs. For some individuals with high skill levels other opportunities were available. For others, however, they are truly facing a major personal crisis. Those individuals need the services of JTPA and the Indiana Employment Security Division to assist them to once again become contributors to the local economic climate.

There is documented proof that where strong linkages between the Indiana Employment Security Division and JTPA exist, through colocation, joint identity and a common thrust, a highly cost-effective program has evolved.

Some of the linkages between these two agencies which are ongoing include the Indiana Employment Security Division and JTPA joint involvement for Youth Day, which was Saturday, May 11, 1985.

Staff members from the Lake County JTPA were stationed in the four Indiana Employment Security Division offices in Lake County, located in east Chicago, Gary, Hammond and Merrillville, to register youth for the summer employment program.

Another cooperative measure is the development of annual planning reports by our agency's labor market analysts for the use by JTPA planners in writing their various program plans.

All in all, I feel that any legislation which would strengthen the ties of JTPA linkages should be heartily encouraged and supported.

Thank you for this opportunity to present my testimony regarding the program.

Senator QUAYLE. Thank you very much.

Mr. John Porter, union liaison officer for the Joint Job Search Center of the AFL-CIO, local 1010 and Inland Steel Co. in Hammond.

Mr. Porter.

Mr. PORTER. Good afternoon, Senator and Renee.

Renee, I apologize for not getting a copy of my testimony. When I talked to you last week I was on my way to Dallas, TX, and I was there for a few days and I just got back. I never hardly follow testimony anyway, so I will probably be rambling all over the place.

Like some of these people before me, I cannot speak too much about CETA; basically, my testimony is going to be related to the dislocated steelworker, in which I have been involved since this program became effective.

As you know, for many years the steelworkers had their ups and downs and a lot of employees were laid off and never returned back to the work force, and they became disillusioned with both the union and the company because they felt neither one of them was doing anything for them.

As a result of that, labor leaders, along with top management, in our post negotiations, decided to do something about this, and in the last negotiation they formed what is called the "LMRC Team" because they had ongoing problems that they had to deal with in the plant, and one of them was going to be a massive layoff that they knew was going to be of a permanent nature.

Inland Steel Co. and local 1010 entered into this joint agreement, LMRC, and they conducted a meeting early in 1984, and their primary concern was the number of laid-off employees.

It became apparent at that time that a lot of these employees would not be returning back to the work force, so they set their sights on seeing what they could do for the laid-off workers.

It became apparent that a great number of these workers that were laid off did not have the particular skills to enter today's job market. As a result, both parties came to an agreement that they needed some special skills and special training to assist them in seeking employment.

Out of that, the JTPA Program was asked for assistance, and Inland Steel Co., in turn, hired a professional staff to do this task, the task of doing the counseling and assisting these employees to make their skills and what-have-you applicable to today's job market.

Inland Steel Co. hired mainstream access, brought them into the Hammond area and in February of 1985, the program was started in a building located on 14 East Field Street in Hammond, to service some projected 3,600 laid-off Inland workers.

Since that inception, at the present time we have serviced approximately 1,000 participants and they have gone through the center, have completed the 4-day workshop, made out résumés, et cetera. We have 75-odd placements that have found employment as a result of our placement service. At the present time we have 90 participants that have entered into some retraining program. We have 50 requests for the entrepreneur program that is now beginning to take shape.

None of this, in my opinion I don't think could have been possible without the assistance of JTPA and everyone else involved, especially the grant from the Labor Department. The JTPA is one of the greatest programs ever implemented. The program, as I see it, will do everything it was designed to do.

The only objection—and it's really not an objection—that I have to the program is perhaps its short life span. Due to the rising unemployment, especially in the steel industry, I would like to see this program continued under the same format until the steelworkers' labor force reaches some type of stability.

Again, I would like to thank you, Senator, if I may, for inviting me to testify on behalf of the success of the JTPA Program, and it has been a success up to this point.

[The prepared statement of Mr. Porter follows:]

Testimony of J. C. Porter

Pertaining to the Job Training Partnership Act

In the 1983 Negotiation, the Basic Steel Companies and the United Steelworkers of America agreed that it was time for them to do something about the problems facing the Steel Industry. It became apparent that the could not meet once every three (3) years and solve all of the pressing problems that the Steel Industries were going to be having from day to day. One of their primary concern was to try to do away with the adversary relationship between management and labor. As a result the LMRC was born. The idea is to deal with problems on the local level in a plant by plant basis to service the membership and their needs.

The first meeting of the Inland Steel Company and USWA Local 1010 LMRC Committee was held in early 1984 when the reduction in the work force became their primary concern. They wanted to know what could be done to help the laid off Inlanders. From this joint discussion, the Inland Steel Company-Local 1010 Joint Job Search Center was formed to assist the laid off workers in whatever way they could. It became apparent that a great number of these employees would not be returning to Inland; therefore, they would have to seek employment elsewhere.

It was understood by both parties that a great number of these employees were not equipped to go out and seek employment in today's job market without some special skills. It became apparent that money was going to be needed to do this special training which caused Inland Steel and Local 1010 to seek the aid of JTPA for assistance.

This prompted Inland to hire a professional staff to do this task. Mainstream Access, Inc., was brought in to do the counseling and conduct the work shop.

On February 18, 1985, the program was started in a rented building located at 1414 East Fields Street in Hammond, Indiana, to service a projected figure of 3600 laid off workers from its inception through June 26, 1985. We have serviced 912 participants; 804 have completed the 4-day work shop; 75 out placements; 90 have applied for retraining; 50 have made request for the entrepreneurial program.

None of this could have been possible without the assistance of JTPA and everyone else involved, especially the grant from the Labor Department. The JTPA Program is one of the greatest programs ever implemented. The program, as I see it, will do everything it was designed to do. The only objection that I have with the program is its short life span. Due to the rise in unemployment, I would like to see it continued under the same format until the work force in the Steel Industry reach some stability.

I wish to thank everyone involved that has made this program at Inland a success.

Additions

1. The reason that I ask for more time is that it takes approximately one year for anyone to finish school or update his skills to enter today's job market.

   Due to the great number of people that need training, we can not possibly process all of them within one year and give them the proper training they need.

2, We have a great number of apprentices that were near completion of their program and were laid off due to reduced operation. Many of them will never be recalled, therefore, all of that training will be wasted.

   We have talked to the colleges that were teaching these programs and they have told us they would carry this special program so these people could finish their training and get their diploma. All we need is time to get them processed.

3. Shortly after the Oversight Hearing, Inland served a 90-day notice to Local 1010 that they are planning on closing three (3) departments permanently. That will affect approximately one thousand (1000) people. I would like to see these people having the same type of service available to them under the JTPA; therefore, it would take another year to make this possible.

   The Outplacement Department has found many permanent jobs for dislocated steelworkers. In some cases, being laid off from Inland could possibly be the greatest thing to happen to them.

I appreciate the opportunity of having some input in your Oversight Hearings. The Company and Union working jointly together on this program makes it a very positive and effective program.

Very truly yours,

John C. Porter
Union Liaison Officer
Local 1010
Joint Job Search Center

Enclosure

Senator QUAYLE. Thank you.

I would like to ask, first Mr. Porter and then Mr. Blair, how are you doing on the actual placement of the dislocated workers? Are you making some pretty good progress, do you feel, on getting these folks placed in jobs once they go through some of the training?

Mr. PORTER. Yes, sure. We are very successful, Senator. One thing I will say, the majority of them has been local, in the area here, and we're very successful in getting them in permanent positions. There's a few that are temporary, and it has been stated that they could become permanent because of the increase in productivity of the particular plant which they are hired in, but we have been very successful. As a matter of fact, I was a little late getting here because I had four out-placements that I had to line up to go for employment, and I thought I was going to be late—but I think I made it on time anyway.

Senator QUAYLE. Great.

Mr. Bibler, you talked about this, about the Northwest Indiana Forum. I wanted to know what kind of communication does the forum have with the PIC's, the Kankakee Valley PIC, the Lake County PIC? Do you have a fairly good communication between the two PIC's, or are there ways that we might be able to improve it? It seems to me that that's a natural.

Mr. BIBLER. I agree with you, Senator; it very definitely is, and the responsibility, it seems to me, of the forum, because of the breadth of its operations and its association with all elements of our business and social—and every feature of our structure and fabric here suggests that we have, in fact, taken on the task of coordinating the operations.

Actually, we haven't made the kinds of inroads into that that we have the capability of doing. It is suggested, and I think very definitely a matter of translation into action, the more effective communications, it's lacking, and there's no question about it, but we are a rather newly formed organization. We've got many, many fronts that we are addressing; and, of course, we have declared war on unemployment.

Our big major thrust right now is to acquire the funds to lift ourselves up by our own bootstraps and to see that there is a resurgence of activity in the employment field in this sector that many of our competing areas have realized in other parts of the State. But I agree with you, we need more active participation.

Senator QUAYLE. I will just ask any of the other panelists if they want to comment on that particular question, on the communication with the PIC. From your particular viewpoint, is it good? Are there ways that we can improve upon it?

Ben, how has the communication been?

Mr. LUNA. You mean communication between agencies other than——

Senator QUAYLE. From your perspective, where you are coming from, and your interests, do you feel like you have some open lines of communication, and your input and your coordination with the PIC are all right?

Mr. Luna. Yes. I believe that the communication is good. I think that it has improved tremendously, and an openness exists and we don't have any problem.

Mr. DeHart. I also believe that lines of communication are there. Perhaps they are not used to the degree that they could be. I think an indication of the degree of communication between SDA's, between PIC's, between other groups, is the degree of duplication that you see in any given area. I believe this was mentioned before. This is inversely proportional to the amount of communication.

Senator Quayle. I thank the panel very much for a very valuable contribution and I look forward to working with you.

Our next panel is a panel of JTPA administrators and representatives of the targeted populations, Laura Schmitt, Margo Sanida, Linda Woloshansky, Imogene Harris, Eloise Gentry, Ruben Gonzalez, Saranettia Lang-Lampkin, Emmett Mosley, Ignacio Rogue Ramos.

We will start with the Kankakee Valley Job Training Program, and first on my list is Margo Sanida, executive director of the Indiana Center for Adult Education in Portage.

STATEMENT OF MARGO SANDIA, EXECUTIVE DIRECTOR, INDIANA CENTER FOR ADULT EDUCATION, PORTAGE, IN; LINDA WOLOSHANSKY, EXECUTIVE DIRECTOR, KANKAKEE VALLEY JOBS TRAINING PROGRAM, LAPORTE, IN; ELOISE GENTRY, DIRECTOR, URBAN LEAGUE OF NORTHWEST INDIANA, GARY; RUBEN GONZALEZ, EXECUTIVE DIRECTOR, JOBS FOR PROGRESS, EAST CHICAGO; SARANETTIA LANG-LAMPKIN, PRESIDENT, LAKE COUNTY JOB TRAINING PARTNERSHIP CORP., GARY; EMMETT MOSLEY, ORGANIZER, UNITED CITIZENS ORGANIZATION OF EAST CHICAGO, EAST CHICAGO; IGNACIO ROGUE RAMOS, EXECUTIVE DIRECTOR, VIETNAM VETERANS LEADERSHIP PROGRAM OF INDIANA, INC., MERRILLVILLE, IN; AND FRIEDA HAMMERMAN, CATHOLIC FAMILY SERVICE, GARY, IN

Ms. Sanida. Mr. Chairman, and members of the subcommittee, thank you for the opportunity to testify before you.

My name is Margo Sanida. I am the executive director of the Indiana Center for Adult Education. This is a not-for-profit organization that has been in operation since January 1984. The main purpose of the center is to offer high quality educational programs in a variety of formats to residents in northwest Indiana.

This past year the center has worked very closely with the Kankakee Valley Job Training Program to develop a training program for young people. During this time the center has become aware of several issues which we feel need to be addressed sometime in the near future. I am certain these concerns have already been identified by JTPA and others involved in job training, but I would like to mention them today to emphasize their importance.

These concerns have to do with the young JTPA clients and the following issues: Functional illiteracy, incentive and motivation, and long-term training and employment.

First, functional illiteracy. Many people who are most in need and able to benefit from JTPA have very serious literacy problems.

They cannot read and write well enough to function effectively in their communities. These people need to be in literacy programs for extended periods of time, possibly 2 to 3 years or longer, before they can effectively utilize training programs or successfully secure and maintain meaningful employment.

This is a time-consuming, expensive and arduous task, yet one that is ultimately less costly to the taxpayers and more fulfilling for the clients.

The second issue is incentives and motivation. There is a lack of motivation on the part of some clients to work once they have completed a program because they lose benefits which are provided to them by other social agencies. Clients who receive benefits from other agencies and who are serious about becoming financially independent should be allowed more time to establish themselves before taking away financial support for such things as child care and medical insurance, especially if these clients are earning just the minimum wage or slightly better.

The last issue is long-term training and employment. There is a need for long-term training that will provide skills necessary to ensure sustained employment, personal growth and job satisfaction. Unfortunately, the act often encourages immediate short-term success ratios without regard to longlived employment ratios.

These observations are not meant to minimize the benefits and successes of JTPA in its first full year of operation; I am merely pointing out problems that need to be addressed in order to fully utilize the program's potential.

Thank you again for the invitation to testify.

Senator **QUAYLE**. Thank you very much, Ms. Sanida.

Next is Ms. Linda Woloshansky, executive director of the Kankakee Valley Jobs Training Program in LaPorte.

Ms. **WOLOSHANSKY**. As executive director of the Kankakee Valley Job Training Program, I have been involved with this operation since October 1983.

I sincerely appreciate your invitation to testify and to address some of the issues that we have in our service delivery area.

As you know, the Kankakee Valley service delivery area is comprised of LaPorte, Porter, Newton, Jasper, Stark, and Pulaski Counties. This marriage of the six counties provides an excellent mix of business, including heavy industry, and agriculture which can be very prosperous during a strong economy. It is an area which has seen major public sector investment in the past, in the form of the Burns Waterway as well as the Indiana Toll Road, and although our unemployment rate has been consistently over 10 percent in the past 2 years, we are confident that with a positive attitude and some strategic planning for various economic development activities, we can see a 180-degree turnaround in our area from the current recession to a prosperity which we haven't seen for a long time.

The potential need and utilization for employment and training services is great, and JTPA has fulfilled this need. JTPA is working extremely well, considering the obstacles it has had to overcome. But it is not without its own limitations and perceived weaknesses which you are in a position to address, and possibly help us to remedy.

The dislocated worker plight in northwest Indiana is a significant issue for the service delivery area. Funding for title III services from the Secretary of Labor's discretionary funds have indicated the overall national recognition of this problem and the hardships that thousands of our families, formerly employed steel and manufacturing workers, are facing.

The emphasis cannot stop if we are to give these individuals basically a hope for the future; and although dollars have arrived, the requirement for matching funds has presented an impediment sometimes at the local level. It is difficult to quickly get commitments for matching funds in an area of high unemployment, where there are no corporate headquarters, and where businesses are hard pressed to stay open, much less to contribute to the training efforts of their former employees.

The State of Indiana, as well as the State job training coordinating council, is to be commended for distributing formula dollars to service delivery areas so that workers in small businesses can be assisted in retraining and placement opportunities. And if more dollars were made available on a service delivery area basis, we could also work with companies who are committed to retraining current employees for their newly created, highly skilled positions within their own companies prior to any layoffs occurring.

I ask you, isn't this the kind of prevention that Congress had in mind when creating this title?

A question which regularly surfaces from operatives is, "Do we really need legislation?" which implies that JTPA services two distinct populations and labels both of them. The hard core, chronically unemployed, and the newly structurally unemployed are both unemployed citizens who need training, and need placement, and need employment.

The dislocated worker could be eligible for both title II and title III services, so why is it necessary, we wonder, to discriminate in some cases against either or both of them.

From an operational perspective, although a number of terms applicable to JTPA are defined, it does neglect to define areas of particular significance to the measurement of performance.

At what point does a person officially enroll in JTPA and when does placement occur? For national monitoring and evaluation of JTPA, these two definitions may be of significance.

In addition, the performance standards currently adopted by most of the States do not clearly measure the return of the investment, as intended by law. The increase in earnings of an individual is not measured based on the Department of Labor's regression model analysis, nor is the specific reduction in cash welfare payments tracked.

We hope that the Department of Labor continues to review this issue and if changes for measuring performance are imminent, that the recommendation comes from the Department of Labor to the States with enough lead time to allow service delivery areas to plan accordingly.

The Kankakee Valley Private Industry Council and corporation of local elected officials were already in place when I became administrator. Their partnership had been formed, they had already began to exercise their local control, flexibility and discretion, as you have already heard today in the testimonies.

Collectively, we look forward to increased involvement and participation of the business community, as well as our partnership agencies. Now that our foundation is laid, we also look forward to refining our operations, looking for more innovative approaches to service delivery as well as obtaining funding from other sources to increase our ability to serve those that are unemployed.

JTPA will succeed in our area as long as we maintain the support of the public-private partnership and we continue to see flexibility at the local level.

Thank you.

Senator QUAYLE. Thank you very much.

Now we will move on to the Lake County Job Training Program. First on my list is Ms. Eloise Gentry, director of the Urban League of Northwest Indiana of Gary.

Ms. Gentry, welcome.

Ms. GENTRY. Chairman, the Honorable Senator Dan Quayle, and to the subcommittee, it is indeed a pleasure, as well as an honor to join you today at the hearing conducted on the Job Training Partnership Act, representing the Urban League of Northwest Indiana that is celebrating 40 years of service to the community, to the city, to the State, and most of all, to the people.

It is an opportunity to express to you some of the needs of the minority population. In these difficult times, it is really hard to see those families who have worked hard for homes, after paying their mortgage payments for 20, 25 years, and presenting to them a form of terminating employment; and now those persons who have worked for many, many years are walking the streets with their sacks on their back.

At this point, it is a fact that homes in Lake County are being lost at a record rate due to the massive layoffs in steel and other basic and related industries. However, pretty much in the face of this, the Urban League has continued to fight for the right for people to stay in their homes.

Just this year, we received $45,000 from the Department of HUD in order to assist with many of these persons, the largest of the State of Indiana; and, of course, we will continue to counsel in these services in order for persons not to be threatened with foreclosures and, of course, to assist them with money management.

From October of last year until now, it was Urban League that provided help for more than 1,987 residents in Gary and Lake County. For many instances, some even traveled to Indianapolis to advocate for the homeowners HUD hearings to back up their rights for the legal rights to stay in their homes.

It is also very hard to see families who were working, earning money for food and clothing, and presently confronted with little hope for food, but resulting to what is known as "yard sales," in other words, begging or perhaps some stealing for survival.

The problem is so difficult that Urban League is assisting in locating adoptive homes for special needs children rather than to see them being abused physically, mentally and socially by their families.

The Urban League is a grass-roots organization, tied to the community in many different ways. It is youth and family oriented, and turns its efforts continually towards the preservation of neighborhood and the families who reside here.

Urban League needs the Job Training Partnership Act in Indiana to continue to provide jobs and retraining programs for the many unemployed youth and adults in Northwest Indiana.

In a major effort aimed at helping our youth toward JTPA and Urban League, we have, in fact, illustrated a program in teaching young people to grow into healthy and fine adults. The Urban League initiated a project last June called the "Entrepreneur Program." It was designed to teach young people the arts of farming, using community vegetable plots and neighborhood assistance in the process.

I think, Your Honor, in your packet, I even had an illustration of some of the young people who had raised their own vegetables, and you can see those are very tall dreams, and they were in open plotted lands.

Urban League is, in fact, very interested in working with young people. Urban League needs the Job Training Partnership Act in Indiana to continue to provide training and retraining programs to many of the unemployed youth and adults in Northwest Indiana.

In a major effort in helping our young people through JTPA, Urban League is teaching young people to grow into healthy and fine adults. The Urban League initiated a program which I have shown you, which is under the Entrepreneur Program, to design for them, to teach them in the area of using the vacant lots in raising their own vegetables.

Each youngster involved in the project helped to till the soil, plant the seed, weed and water the plots, harvest the crops and, finally, sell the product on the street.

Last year, 92 young people learned the discipline of making a business work, the combination of skills, dedication and hard work that has long characterized small business operators across the Nation.

Through this project, the Urban League is helping to transfer valuable knowledge from one generation to another, and in so doing it is forging relationships between young and old, while building skills for the future generation.

The Urban League needs the Job Training Partnership Act to continue providing an opportunity for youth, their families, the community, the State, in order for us to grow and live with dignity.

Urban League of Northwest Indiana, with Job Training Partnership Act, is many things to many people. It is a chance for life, a chance for employment; with Job Training Partnership, a chance for education, a chance for retraining and a chance for the door to open to the community, to the city and to the State.

In summary, Your Honor, the Job Training Partnership Act is a chance for the minority population to live.

Thank you again for the opportunity on behalf of our board of directors, advisory council, Federation of Block Clubs, Guilds and citizens of Northwest Indiana for this opportunity.

We challenge you to provide additional opportunities for our job survival. We even had some of the 16- to 21-year olds to come so that you can see them, and you can see that they are healthy and they are eager to work, and we would like for you to take a look at them. They are in the audience.

Senator QUAYLE. Would everybody stand up?

Ms. GENTRY. Would you young people please stand so that the Senator can see who you are?

Do they look healthy, Your Honor?

Senator QUAYLE. My gosh, look at them.

Ms. GENTRY. Let's give them a big applause.

[Applause.]

We need your help and we certainly do appreciate the opportunity of allowing you to see them, and we do work very closely with Job Training Partnership Act.

Senator QUAYLE. Thank you very much. And welcome, all those healthy kids out there—and the unhealthy adults including myself.

Ms. GENTRY. As healthy as they are, they also need your help. We thought you would like to see the young people.

Senator QUAYLE. I'm glad to see the young people. That's what a big focal point of this bill—particularly those that don't have the opportunities, and we want to give them the opportunity because they want to be productive. It looks like a great group out there.

Now, Ruben Gonzalez who is a PIC member. He is the executive director of SER, Jobs for Progress, in East Chicago.

Welcome, Mr. Gonzalez.

Mr. GONZALEZ. Senator Quayle, my name is Ruben Gonzalez and I am executive director of SER, Jobs for Progress, which is located in Lake County. I appreciate the opportunity to express my views.

SER, Jobs for Progress, is a community based organization which was recognized under the CETA Act as being an effective deliverer of services for the unemployed.

SER provides adult basic ed, GED, self-directed job search, and we have just started a new tryout employment program for youth. My concern is that the performance standards which are currently administered by the Department of Labor tend to drive the system to serving those who require short-term services in order to acquire jobs.

These performance standards recognize only the short-term effects of training, job placement, wage at placement, and cost for enrollment as successful outcome for adult participants.

It is SER's contention that the SDA should not be penalized for the extra cost of serving those who may need extensive remedial education and employability development prior to occupation-specific job training.

The performance basis should be adjustable to provide for positive terminations for adults, just as they are for youth.

The information provided to me by the Department of Labor's Advisory Committee on Performance Standards lead me to believe that these performance standards have to be revised to prevent the exclusion of the hard-to-serve adults.

According to the Department of Labor, the latest analysis of the Job Training Partnership Act shows that half of the JTPA adults terminees graduated from high school, and another quarter or 24 percent of the JTPA terminees have more than a high school education.

These figures show that JTPA system is highly motivated by performance standards to serve those easiest to serve. What really concerns me is that approximately 26 percent of these persons served by the JTPA system, non-high school graduates, have to achieve the same performance standards as the 76 percent who have high school degrees or better.

Presently, there is no agreement on the definition of the hard to place by the Department of Labor or its Advisory Committee on Performance Standards. It is accepted that these needs of these groups specified by law as suffering from barriers to employment, such as displaced workers, teenage parents, the handicapped, addicts, veterans, those with limited English-speaking proficiency, and criminals are already being served under JTPA provision, the 10-percent window.

Therefore, unless these performance standards which are currently being administered by the Department of Labor are made adjustable to provide for the hard to place, those who need remedial education and employment development before entering an occupation-specific program, the JTPA system will continue to be driven to serve those easiest to serve to the exclusion of the hard to place or the system will be driven to provide only 10 percent of the funds for those hard to place segments.

Either of these outcomes is totally unacceptable to me, and I hope to you also.

Thank you.

Senator QUAYLE. Thank you, Mr. Gonzalez.

Next is Saranettia Lang-Lampkin, president and chief executive officer of the Lake County Job Training Partnership Corporation here in Gary.

Ms. LANG-LAMPKIN. I am Saranettia Lang-Lampkin, president and chief executive officer of the Lake County Job Training Corp., which is the grant recipient and administrative entity for the Lake County service delivery area. In addition to being the president and chief executive officer of the recently formed corporation, I have also served as a top administrator in the employment and training field for the last 10 years.

I am pleased to welcome you, Senator Quayle, to the Lake County, IN, and give testimony at this oversight hearing for the Job Training Partnership Act, Public Law 97-300.

JTPA has served, since its implementation, as a vehicle to bring the private sector into the decisionmaking process on planning, evaluating, and providing oversight to employment and training programs for the disadvantaged and the unemployed. Furthermore, it has served to foster bipartisan dialog among our local elected officials and our business community which provides for a more effective solution to mutual concerns and problems.

However, after extensive dialog, many concerns and problems remain unresolved in our county, due to the lack of clarity or limitations within the law, such as mandated service levels to youth and the ability to provide long-term training to the educationally disadvantaged unemployed.

Speaking specifically to our mandated service levels for youth, our 43 percent State requirement and our 40 percent Federal mandate has been an ongoing challenge to our Private Industry Council and our local elected officials. After the implementation of aggressive marketing strategy and extensive outreach and recruitment efforts, our SDA's July 1, 1984, through May 3 of 1985, applicant pool data reflects less than a 23 youth applicant level. We are not satisfied.

Working with a coalition of community-based organizations and human service agencies, we have, Lake County recently launched a massive effort in an attempt to address our low youth applicant and enrollment level. Much of the effort will be directed toward a youth forum and a research outreach and recruitment project. Hopefully, this project will help us to: One, respond to section 203(b)1 of the act; Two, seek out and identify unemployed, out-of-school youth 16 to 21 years of age; Three, identify their barriers to training and employment; Four, identify their pretraining and preemployment needs; Five, assist in determining the current eligible youth population size; and, Six, lastly but most important, what are the current eligibility criteria and standards, as set forth by the Secretary are appropriate for the out-of-school youth target group.

We believe that section 203(b)1 and 2 of the act, under "Eligibility for Services", should be amended to allow, to the extent possible, more flexibility in the ratio of adult and youth services at the SDA level when an SDA is experiencing dramatic and rapid adjustments in its labor force; when there exist apparent changes in the characteristics and the size of its target population due to the above; and when the available labor market information is not reflective of the training program year the data is to be applied.

We further believe that section 106, Performance Standards which have a direct effect on long-term training, should be amended to include completion of training, specifically to an adult in lieu of placement in unsubsidized employment; when any of the following conditions exist: when the local area's labor market information reflects a major shift in occupational trends; when the SDA has a substantial number of youth and adult dropouts who experience barriers to training due to the lack of basic academic skills, and when the SDA's unemployment rate is substantially higher than the national rate, specifically due to the loss of permanent jobs.

In Lake County, we have had an average unemployment rate double that of the Nation for many years: in 1980, 11.8; 1981, 12.3; 1982, 16.3; 1983, 15.8; 1984, 14.8; and as recently as April of 1985, 14.1.

The Indiana Security Division data reflects a loss of 46,800 permanent jobs in Lake County for the period of April 1979 through April 1985.

In our county we believe an investment in long-term training for those applicants experiencing severe barriers to training and employment is needed.

The cost of incarceration in our county jail is estimated at $48 per day or approximately $17,520 per year, and our estimated cost for an AFDC recipient family is $400 per month or approximately $4,800 per year for a family of two, mother and one child.

We believe that quality training over an extended period can not only better ensure that well-trained and skilled participants are more capable of competing, securing and retaining a job; it would also help to ensure that self-sufficiency and productivity, resulting in net returns in the form of tax savings.

If the U.S. Congress recognizes that job training is an investment in human capital and not an expense, then Congress should be willing to amend the performance standards to reflect this philosophy. Because of the uncontrolled variables encountered during the human development process, the success or failure of the trainee should not be measured by a set of standards which are only applicable to the development of a manufactured, commercial product, possessing a given set of variables and produced in a controlled environment.

In conclusion, a program such as JTPA which is an investment in human capital, should not be driven solely by a prescribed set of performance standards which seek to exclude those with the greatest barriers to permanent and meaningful employment.

Thank you, Senator, for allowing me the privilege of testifying today.

Senator QUAYLE. Thank you very much.

Next is Mr. Emmett Mosley, organizer, the United Citizens Organization of East Chicago.

Mr. Mosley.

Mr. MOSLEY. My name is Emmett Mosley. I am an unemployed construction worker, currently with the United Citizens Organization.

Our organization is comprised of eight local churches in East Chicago and three steelworker unions. We run a hot line for the employed, we work on survival issues such as foreclosures, health care and utility cut-offs.

We do research on plant closings and industrial job creation and we are currently helping SER, Jobs for Progress, by signing up youth for JTPA. We also work on legislative responses to the economic crises. We are part of the National Unemployed Network. We thank you for the opportunity to speak here today.

In 1984 the only jobs bill to pass the House, H.B. 1036, was sent to the Senate for approval. The Bill would have allocated $3.5 billion to communities to create 500,000 public service jobs such as child care, health care, repair of public facilities, land conservation and low income weatherization. The jobs would have gone to the long-term unemployed.

When this jobs bill reached the Senate, it first had to be heard in the Subcommittee on Employment and Productivity, where Senator Quayle is the chairman.

Although our senator represents the State with the eighth highest unemployment in the country, he refused to even hold a hearing on this bill. Thus, no jobs bill passed the Congress.

When asked why he was against the jobs bill, Senator and his aides have told the employed that: One, the economic recovery takes away the need for such a program; Two, the JTPA Program, with its concentration on private sector jobs, is the way to go.

Well, let's look at these answers. Number One, where is the recovery? In 1979, Indiana had an official unemployment rate of 6.4 percent. Gary/Hammond had 6.6 percent. Today, Indiana has an unemployment rare of 9.7 percent. Gary/Hammond has 15.5 percent.

When discouraged workers and forced part-time workers are counted, the real unemployment rate is 17.4 percent for the State, and 28 percent for our region. Is this recovery?

Senator Quayle—Since Senator Quayle took office, the unemployment rate is 1½ times higher throughout the State and is more than doubled in Lake County. The Bureau of Labor Statistics very conservative figures cite 152,000 dislocated workers in Indiana.

In our county alone, there are still 20,000 steelworkers out of a job. Seven of Indiana's metropolitan areas are above the national average in unemployment. Is this a recovery? For who?

Let us look at the second answer, JTPA. JTPA is not a bad program. The concept of retraining and orienting unemployed for placement in private sector jobs is a good one, and we know a number of people who have been retrained, and a few who have been placed on new jobs with the help of JTPA funds. But the current program is, quite simply, too little for too few.

The Grinker/Walker consulting firm estimates there's funding for only 4 percent of all eligible JTPA-eligible people. Our local Dislocated Workers Program has money to help 426 people between now and June 1986.

With such miniscule funding, JTPA staff is forced to "cream," serving only those most likely to be quickly placed on jobs.

The recent Interface Report on the New York City JTPA documented the same thing that we have observed in our region, namely that the inadequacy of subsidy and support services such as transportation and child care, and the absence of meaningful work experiences under JTPA makes the program inaccessible or extremely inadequate for the vast numbers of unemployed workers, both young and old.

Our Jobs Committee members are no experts in JTPA and its placement rates in our region. Like many other church, union and social service organizations in Northwest Indiana, we are experts on the human face of the statistics. We see, on a day-to-day basis, that JTPA cannot help those with no income, no car, gas money or no family to house them.

We see the houses for sale on every block, we see the utility shut-offs, the endless food lines. We see the formerly proud working families destroyed in order for the children to get welfare and Medicaid. We see the strong extended families torn asunder as, one-by-one, young people leave grandparents, aunts and uncles to find work in other parts of the country.

We see the hopelessness of the youth on the street corners who may never hold a long-term job in their lives. We see communities in depression, both material and spiritual.

JTPA is too small of a program to help us. Our region is suffering from a deadly disease, Senator Quayle, and you have offered us a program that can't even be called an aspirin.

Last winter we helped sign up hundreds of people for the Jobs Bill Primary Health Care Plan, a bill you helped pass. It was great for a while; after 2 months, the funds were gone. Hundreds of people now hold these cards, yet cannot get help. We will be glad to share with you the results of our plant closing survey and our health care survey as soon as it is completed.

Don't get us wrong—we support JTPA, and we have run a number of public meetings to inform people about it, and we refer people there daily. But Senator, it isn't enough, and we can't wait 5 more years for the training and the job creation we need right now.

We call on you, Senator Quayle, to spearhead a campaign in Congress that would target high unemployment areas, such as ours, with both training and job creation for both private and public sector jobs. In our area over 96 workers are available for every job opening. Certainly, it's reasonable to feel hopless about retraining and job search when you face this reality.

Senator, when you blocked the S.B., Senate Bill 1812, jobs bill, it felt like you had written us off. Your staff told us your concern was the deficit. Yet, the Senate continually approves massive aid packages for foreign countries. If Indianapolis is in a recovery, fine; but we're not, and we can't wait any longer.

Target our area for public service job creation, for public works and infrastructure job creation, for health care for the unemployed, for extended unemployment compensation, for youth training programs and for more money for JTPA.

Support the plant closing legislation bill H.B. 1616 when it comes to the Senate, a bill that would give workers 90 days notice before massive layoffs, and the right to bargain over the closing, a bill that reduced Maine's unemployment due to plant closings by 20 percent when that State passed it.

Senator Quayle, the vast majority of unemployed workers are not being touched by unemployment compensation, by private sector jobs or by JTPA. We call on you to support more aggressive solutions.

One other thing I would just like to say is that if you would like to go to school here in Indiana, you cannot accept that money for grants and collect Food Stamps, so you have your choice to collect a Pell Grant and go to school or Food Stamps.

Thank you.

Senator **Quayle**. I will just briefly respond that I will take a back seat to no one about my concern about the unemployed. I have taken a leadership in the Senate; I will continue to work to help out on training and employment programs.

I might remind those that we're here on the oversight of the JTPA and try to figure out how to make that a better program.

There are a lot of other issues before the Congress, but we can talk about that another time, but today we are here to talk about the oversight of JTPA and how we can make that a more—a better program and help those people that need our help.

The next witness is Ignacio Rogue Ramos, executive director of Vietnam Veterans Leadership Program of Indiana, of Merrillville.

Mr. Ramos.

Mr. **Ramos**. Thank you very much. I am truly the newest member of this panel, and I wonder how many of the fathers, grandfathers, brothers, cousins, whatever they may be, are veterans or recently discharged veterans.

My name is Ignacio Rogue Ramos. I am the executive director of the Vietnam Veteran Leadership Program which will be referred to as VVLP, of Indiana, Inc.

I would like to take this opportunity to thank Senator Quayle for asking me to speak at this hearing, and also to say thank you to Senator Quayle in being instrumental in having the VVLP established in northwest Indiana. The VVLP of Indiana was established on April 6, 1983, and was targeted for Vietnam veterans, but we provide services to veterans of all eras.

Since the inception by ACTION, the National Volunteer Agency, the VVLP has been instrumental in locating and providing services to approximately 925 Vietnam, Vietnam-era, and Korean veterans. Of the 925 veterans, 232 were unemployed due to the reduction in force and plant closings in northwest Indiana.

As you know, the population of Vietnam veterans in northwest Indiana is 17,000. This is the second largest Vietnam veteran population in the State of Indiana, which also has a 14 percent unemployment rate.

While the employment problems of the veteran is foremost, it is not the only need. Lack of basic understanding of Veterans Administration health and educational benefits, readjustment problems, post-traumatic stress disorder, mortgage foreclosures perpetuated by unemployment have been addressed through our agency.

Our affiliation with the Private Industry Council, the Lake County Jobs Training Corp., and the dislocated steelworkers projects has enabled us to direct these veterans to the proper aqency for the assistance and direction that is most advantageous to their needs.

Our organization has been providing services to the northwest Indiana veteran population, as well as veterans from across the State, including the States of Illinois, Michigan, and Wisconsin.

Our organization has instituted programs and services based on the assessment of the needs of the community. Among these services are: The incarcerated Veterans Program which is located at Westville, IN, which provides guidance and counselinq to the inmates with regards to the Work Release Program and the employability of these veterans upon release; the Legal Affairs Committee with regard to legal aid which provides veterans with counsel at a no-fee or reduced-fee based on assessment of need.

The Mortgage Foreclosure Committee has established a network with the Veterans Administration and lending companies to assist the veteran in resolving an equitable solution to his or her financial problem which was brought about by unemployment.

The services that have been mentioned above are only a few of the services provided by the Vietnam Veterans Leadership Program. We have also assisted these veterans in records requests, claim filings and individual counseling.

To let this program end would be a travesty to the Vietnam veterans and their families.

The VVLP of Indiana, in conjunction with the Lake County Jobs Training Corp., submitted two proposals to the Department of Labor. The first was submitted July 31, 1984, and the second November 16, 1984, which targeted Hispanic and women Vietnam-era veterans. Both were denied, further handicapping Vietnam-era veterans, especially those that have been displaced from the steel-mills.

We, as an organization, will be forced to close our doors on August 1, 1985, due to the lack of funding. We have applied to various foundations and corporations for grants, but have been rejected for the basic reason of economic downturn caused by the recession.

Our main hope is that this program can continue and expand. We would be able to apply our knowledge and the network we have acquired over the past 26 months for the good of the community.

Thank you once again for allowing us to present to you what a viable and progressive organization the Vietnam Veteran Leadership Program is and to say, in closing, that we need immediate endorsement and support in order to match the ever-growing needs of our veteran population in northwest Indiana.

[Information supplied for the record follows:]

	1983 4/6/83-12/31/83	Monthly Average 8 Months	1984 1/1/84-12/31/84	Monthly Average 12 Months	1985 1/1/85-5/30	
VIETNAM VETERANS	134	17.26	463	38.58	269	
VIETNAM ERA VETERANS	09	1.13	21	10.75	20	4.00
WOMEN VETERANS	0	0	4	.33	1	0.2
KOREAN VETERANS	3	.38	4	.33	2	0.40
WW II VETERNAS	3	.38	3	.25	1	0.20
RECENTLY DISCHARGED	0	0	3	.25	3	0.60
ACTIVE DUTY/RESERVE	3	.38	7	.58	3	[illegible]
OTHERS	14	1.75	70	5.83	20	[illegible]
SCD. *	10	1.25	20	1.67	10	[illegible]
NSCD *	0	0	4	.33	2	0.40
SSI DISABILTY *	0	0	5	.42	1	0.20
UNEMPLOYED VETERANS	78	9.75	180	15.00%	74	14.80%

VIETNAM		MONTHLY AVERAGE BASED ON 26 Months
TOTAL VETERANS SERVED --	866	33.31
VEV	50	1.92
WOMEN	5	.19
KOREAN	9	.11
WWII	7	.27
RECENTLY DISHARGED	6	.23
ACTIVE7RESERVE	12	.46
OTHERS	104	4.00
SCD	40	1.54
NSCD	6	.23
SSI	6	.23
UNEMPLOYED VETERANS	332	12.77
TOTAL POPULATION	1,009	77.62

*Service-Connected Disability

*Non Sevice-Connected Disability

*Social Security Disability

EMPLOYMENT REFERRALS

	1983	1984	1985	TOTAL
JTPA	22	59	6	97
[illegible] JOBS TRAINING CORP	4	17	12	33
INDIANA STATE EMPLOYMENT SERVICE	26	45	52	123
PRIVATE INDUSTRY COUNCIL	9	5	0	14
FEDERAL EMPLOYMENT SF 171(VRA)	11	12	11	34
[illegible]	11	19	3	33
DISLOCATED STEELWORKER PROGRAM	10	17	6	33
[illegible]	14 .	30	5	49
PRIVATE EMPLOYER CONTACTS	14	30	5	49
HIRE UNDER EVA[illegible]	4	1	1	6
VETERANS HIRED	9	7	2	18
REINSTATEMENT OF JOB ASSISTANCE	1	0	0	1
RESUME WRITING	0	2	1	3
[illegible]	45	25	8	78

VVLP PROGRAMS /SERVICES AND COMMITTEES

	1983	1984	1985	TOTAL
VOLUNTEER RECRUITMENT/VETWORK	49	66	12	117
LEGAL AFFAIRS COMMITTEE	6	19	4	29
INCARCERATED VETERANS PROGRAM	3	7	10	20
SPEAKERS BUREAU	13	21	3	37
SMALL BUSINESS RESOURCE COMMITTEE	33	14	0	47
[illegible] VETERANS MEMORIALCOMMITTEE	17	87	6	110
[illegible] VETERANS COMMITTEE	4	5	2	11
AWARDS COMMITTEE	6	13	1	20
FUND RAISING COMMITTEE	0	25	8	34
AGENT ORANGE VA CLAIMS/WORKSHOPS	18	266	128	412
REVOLVING LOAN FUND USE(1985 only)			2	2
NATIONAL LEAGUE OF FAMILIES	.	6	2	8
RECORDS REQUEST	12	27	31	70
CLAIMS ASSISTANCE SCD	4	8	23	35
MILITARY DISCHARGE UPGRADE		3	3	6
CLAIMS ASSISTANCE NSCD		2	1	4
EDUCATIONAL BENEFITS	6	18	6	30
VA HOME FORECLOSURES ASSISTANCE	2	4	1	7
SSI DISABILITY CLAIMS		3		3
VOC REHAB	2	9	2	13

AGENCY REFFERALS

	1983	1984	1985	TOTAL	
VET CENTER	27	84	19	130	
AMERCIAN RED CROSS	6	4	10	20	
CONGESSIONAL OFFICE	10	28	5	43	
REFERRAL AND EMERGENCY SERVICE	1	5	2	8	
INDIANA DEPARTMENT OF VETERANS AFFAIRS	4	1	1	6	
AMERICAN LEGION	0	3	2	5	
DISABLED AMERICAN VETERANS	12	0	3	15	
VETERANS OF FOREIGN WARS	4	4	17	25	
SALVATION ARMY	0	1	0	1	
TRI-CITY MENTAL HEALTH/SOUTHLAKE MENTAL HEALTH	0	3	0	3	
LEGAL SERVICES OF GREATER GARY	4	3	2	9	
NATIONAL GUARD REINLISTMENT ASSISTANCE	0	3	1	4	
PARTNERSHIP IN CONTRACTING	0	4	2	6	
INDIANA UNIVERSITY BI-LINGUAL PROGRAM	1	0	0	1	
VETERANS ADMINISTRATION AGENT ORANGE SCREENING UNIT	38	19	5	57	
VETERANS ADMINISTRATION REGIONAL OFFICE	13	18	12	43	

Senator **Quayle**. Thank you, Mr. Ramos.

Our last witness of this panel is Frieda Hammerman of the Catholic Family Service in Gary.

Ms. **Hammerman**. My name is Frieda Hammerman and I am employed by Catholic Family Services as their specialist in aging. My training was in social work and nursing, and my clients are the frail elderly and their families who reside in Lake County, IN.

My concerns today are for involvement of human service agencies in the Job Training Partnership Act, in a partnership that would enable service-needy persons and job-needy persons to get together.

The private industry council includes local elected officials and representatives of business and industry, as well as the fields of labor and education, but I submit that human service agencies should be included also.

The field of aging, as you probably know, has documented the growing and projected needs of this fastest growing segment of our population.

In my work at Catholic Family Services for the past 5 years I have seen many individuals and families struggling to maintain independent living when illness and physical disability have put inordinate strains on human and financial resources.

The largest focus of my work has become assistance to the elderly in their own homes to avoid, as long as possible, the nursing home alternative.

We developed a program called caretakers which recruits and screens women with skills in homemaking and personal care to work with our clients as independent contractors. They are referred, after a medical-social assessment has determined the special needs of the client. These caretakers represent the economically disadvantaged, dislocated workers, young people, and senior citizens, four of the targeted groups of JTPA.

When I first heard about JTPA, I was very excited about the possibilities of expanding our program through collaboration with them. I called, and a representative came out to explain the program. I had questions about how we might work together as agencies with some of these same goals and some of the same constituents.

I couldn't find anyone with the answers, or the interest in talking about this, and I finally gave up trying.

My concerns go beyond my own agency, which is struggling to maintain services in the community, despite United Way cutbacks.

I have recently joined the board of the Lake County Economic Opportunity Council, which is a regional entity providing an array of human services to minority groups that are especially hard hit by the present economic conditions.

In conclusion, I would like to state the hope that there can be a commitment to inclusive and open area-wide dialog so that a real partnership will be possible that will result in policies to make JTPA truly effective.

Thank you very much.

Senator **Quayle**. Thank you. I certainly agree that you have to have the partnership, and I think that the intent of the legislation is to be inclusive rather than exclusive. We all have to sit down and work together on our problems.

I want to thank the panel very much for your input and testimony today. I will excuse you and call the last panel.

The last panel is a panel of employers and trainees, Henry Hart, Burt Langer, Andrea Roper, and Sharon Croell.

First on my list is Mr. Henry Hart who is an attorney from Knox.

Mr. Hart.

STATEMENTS OF HENRY HART, ATTORNEY, KNOX, IN; BURT LANGER, OWNER, FETLA'S BARGAIN CENTER, VALPARAISO, IN; AND SUSAN JOHNSON, SPEAKING FOR SHARON CROELL, VOCATIONAL EDUCATION TRAINEE IN THE MEDICAL FIELD, CURRENTLY EMPLOYED AT PORTER MEMORIAL HOSPITAL, PORTAGE, IN

Mr. **Hart**. I want to thank you for this opportunity to speak on behalf of an employer. I want to first say that I am city attorney for the city of Knox, IN, which is located in Starke County. We are probably one of the smallest counties served under the Kankakee Job Training Program.

The city of Knox is typical of rural Indiana; Knox is a county seat in Starke County. In 1980 the population of Knox was approximately, or a little bit over 3,600. In 1982 the revised census population had decreased by approximately 200.

Starke County is one of the more economically deprived counties, having a mean income of approximately $11,000 per year head of household in the 1980 census.

Starke County, of which Knox is the county seat, is a county of approximately 22,000, and the county itself is dedicated to mostly agricultural production. Located within the county is Bass Lake, which is a recreational area, and it has approximately 1,000 households, and in the summer its population will exceed 10,000 or greater.

In July 1982 the Rockwell International Facility, which was a 200,000-square foot facility, closed its doors in Knox, and Rockwell was involved in Knox in the manufacture of heavy gears for International Harvester and Case Equipment, both of which industries have closed their doors or had severe problems with their product or sale of product.

At its peak, the Rockwell International Facility employed approximately 300 people, and at the time of its closing the lowest hourly rate was $11 per hour.

In addition, in 1980 Knox, as well as other areas in the United States, experienced an economic decline with the real estate values, particularly farm land which were largely agricultural; housing starts almost completely ceased, and major unemployment due to layoffs in the steel industry and automotive industries were particularly acute in Starke County, which does, in large part, base its earning incomes upon commuting to Lake and Porter Counties and La Porte County.

In 1984 the average unemployment rate in Starke County, IN, was 12.5 percent; in 1982, the average unemployment was 14.5 percent; and in 1981 it was 12.6 percent. So far in the months of 1985, Starke County has experienced unemployment rates in January of 15 percent; in February, 17.4 percent; in March, 14.8 percent; in April, 11 percent.

Over the last 2 years, as city attorney, I have worked with a number of industries in attempting to solicit them and inquire of them to occupy and become an industrial occupant of the Rockwell International Facility.

During this period of time I have had the opportunity to work with the Kankakee Job Training Program. I have discovered through this search over the last 2 years, in which I would estimate over 1,000 hours have been spent, that locating an industry in a rural area is a particularly difficult problem.

The facility itself, 200,000 square feet, means that its management personnel will swell probably to 40 or 50 people who will have probably an income in excess of $40,000 in their top management positions.

This type of industry does not want to locate in a rural part of Indiana where we do not have the advantages of close shopping facilities and we do not have the advantages of some of the things that people in professional occupations like to have at their back doors.

The reason I wanted to speak to this committee was that I have had to work—or have worked—with the Kankakee Job Training Program, and during the last two years I have met in particular with five different industries who have gone to the Kankakee Job Training Program and asked for job training grants.

I have found that what has happened is that the director has kept everything very confidential, which I think has been extremely important to the acquisition of industry, and has found out from these industries the type of employment they are going to obtain, the number of employees, the hourly wage scale and, based on these written commitments has, in return, made commitments to the industry as to the type of job training program that would be made available and the type of grant that would be made available to these industries.

This is critical if we are to obtain an industry to fill our vacated plant. Without the type of assistance that is provided by the Kankakee Job Training Program, this rural county could not compete effectively against the other areas which—urban areas—which have large industrial facilities such as we have, but have been declared enterprise zones and receive certain tax advantages.

We are not an enterprise zone and we cannot compete in those types of competition. Without the Kankakee Job Training Program we would have no moneys to offer job training and no type of assistance training program.

We appreciate the support; we find it well administered, and we are glad they are there to serve us.

[The prepared statement of Mr. Hart follows:]

WRITTEN STATEMENT OF HENRY R. HART
ON THE OPERATIONS OF THE JOB TRAINING PARTNERSHIP ACT
IN INDIANA

The undersigned is City Attorney for Knox, Starke County, Indiana, and has served as City Attorney for the City of Knox since January, 1978. The City of Knox, Indiana is typical of rural Indiana. Knox is the county seat of Starke County, Indiana. In 1980, its population, according to United States census, was 3600.00. In the 1982 revised census, population had decreased by approximately 200. Starke County is one of the more economically deprived counties, having a mean income of approximately $11,000.00 per year, according to 1980 census. Starke County, of which Knox is the county seat, is a county of approximately 22,000. The county itself is dedicated to mostly agricultural production. Located within the county, is Bass Lake, Knox, Indiana, which consists of approximately 1,000 households, a population that during the summer will approach 10,000 or greater.

In July, 1982, Rockwell International, which had manufactured at its 200,000 square facility at Knox, Indiana, gears which were used for International harvester and for Case Farm Equipment, ceased operations and closed its production facility which, at its peak, had employed in the neighborhood of 300 people. At the time that the facility closed, the lowest hourly rate was in excess of $11.00.

In addition, in 1980, Knox, as well as any areas of the United States, experienced an economic decline with real estate values, particularly farm land, decreasing, housing starts almost completely ceasing and with major unemployment due to layoffs in the steel industry and automotive industries, to which many residents of Starke County commute.

In 1984, the average unemployment rate for Starke County, Indiana was 12.5%; in 1982, the average unemployment rate was 14.5%; and in 1981, the average unemployment rate was 12.6%. So far, in the months of 1985, Starke County has experienced the following unemployment rates: January: 15.1%; February: 17.4%; March: 14.8%; April: 11%.

Over the last two years, as City Attorney, I have worked with a number of industries, in attempting to solicit them to acquire the vacated Rockwell International facility, vacated since July, 1982.

It is through my involvement as City Attorney, and the obtainment of industry to fill the vacated Rockwell International facility, that I have had an opportunity to become involved in the Kankakee Job Training Program. The last two years, the Kankakee Job Training Program has made commitments to industries making inquiry to locate a facility at Knox, Indiana, having substantiated by written commitment, monies that are available for job training grants to industry. The procedure has been for the industry making inquiry to write a letter to the director of the Kankakee Job Training Program, expressing types of jobs that the industry intends to bring to the facility, the number of employees, and the type of job training program that they intend to use at the facility. The director has met personally and individually, in private, so as not to make public disclosures which would be a detriment to the industry, and made known to the general public, and has, in fact, issued letters of commitment based upon the letters of request and commitments from the interested industries.

I have had feedback from the industries which have asked for written commitments on job training grants from the Kankakee Job Training Program. Each and every industry has expressed the fact that the Job Training Program Grant has been a major influence in the decision of the industry. They have expressed a gratitute to the Kankakee Job Training Program for their thorough assistance and willingness to work with the industry.

We are particularly fortunate that the Kankakee Job Training Program involves the counties of Lake and Porter County, and includes our rural agricultural county. For Knox, Indiana, this has meant that monies for our 200,000 square foot building are available on an equal basis as large facilities like this are found in your heavier industrial areas such as Porter and Lake Counties. If Knox were contained in a job training program district which involved only rural counties, we would not have such funds available.

As City Attorney, and having worked with major industries over the last two years, having expended an excess of 1,000 hours in working with different industries, I can state that rural America is in difficulty in competing with our urban, industrialized areas. If we are to return to our rural counties, employment opportunies which encourage our youths to remain within our families, and within our areas, we need the programs as are offered by the Kankakee Job Training Program. Without their vital assistance, without their interest, Starke County, Indiana, will not obtain the industrial occupant for the vacated 200,000 square foot Rockwell International facility.

Henry R. Hart, City Attorney
for Knox, Indiana

Senator **Quayle**. Thank you very much.

Burt Langer, who is the owner of Fetla's Bargain Center in Valparaiso, IN.

Mr. **Langer**. My name is Burt Langer. Thank you for having me appear before you. I am a businessman and I have a small business in Valparaiso, IN. I have 42 employees, and I have been in Valparaiso for 21 years.

During that time I have seen the heavy steel industry infrastructure just erode to now where we are a service-industry area. If you walk through our town—in the past 21 years I have seen very low vacancies; now we have seven vacancies in our downtown. If you go a mile away to the K-Mart Shopping Plaza, or a mile and a half away, that has lured most of the business into that area, where excuses were being tossed around that businesses were moving from downtown Valparaiso to the K-Mart Plaza. It doesn't hold true any more because they now have seven vacancies.

So it seems that some of the people that were earning some of these high wages at the steel mills have no alternative but to either move away or try and get trained for another job.

I am also president of the Porter County Welfare Department, and I have been for 10 years. At that time I worked with Linda Woloshansky, who represents the Kankakee Valley Training Authority, and she was going around trying to talk people into taking some jobs—people into giving them jobs. And I think I was the first or one of the first to try it.

Ever since then I have found that it's really a good way to take a shot at an employee, you might say for half price, and give them a chance where normally you would not have given them a chance. Some of our employees have really developed.

Also, our company makes it a hobby, more or less, of always employing either a blind, a legally blind, or a legally deaf person and seeing what we can do with them. We have done pretty good with them—maybe you could include some of them in your program because you would be surprised what some of the blind and deaf can do on jobs, even in retailing where normally people didn't think they could do anything. We have some that are doing a fine job; they need the work so they are showing up every day and so on.

I'm probably one of the only people that is not working for the Kankakee Training Authority that has actually gone out on the job sites and watched how they work. It interested me, and last year I went out to see how they were doing. And believe it or not, they really do a job.

I was chagrined to find that when the season finished and these 20 kids they had working were really proud of what they had done, I called the Vidette Messenger and I called the Gary Post and I said, "Boy, you guys ought to come down here and take a picture of how they cleaned out these ditches and how proud the kids are of the job they did. They cleaned them out for miles." They both said they would be there—we called them twice, and they never showed up.

Most of the people involved, even behind the ditches where their houses were flooding—I went over to a couple of them and I said, "How do you like the way this ditch is cleaned? That ought to alleviate all the flood situation that we have been having," and they just, you know, they could care less. Some of them didn't even know what was happening, and most of them never even walked the 60 feet from their house to the ditch that was behind their house to see what was going on.

But anyway, I think it's a necessity that we keep the program. I think they are doing very well.

I don't want to get into the unemployment statistics along with Henry Hart, but the statistics in Valparaiso seem to be somewhat between the area from Knox to Lake County. I think Lake County is the worst. I think the area around Knox, Starke County, has picked up a little bit. Valparaiso is kind of in between.

That's about all I have to say. I'm in favor of the program and I hope you will support it.

Senator QUAYLE. Thank you. I congratulate you for the way you have hired some people. I might tell you that the disabled and handicapped are included in the JTPA, so that they are not excluded. As a matter of fact, they are specifically included in the set-aside.

Mr. LANGER. I have one more thing I wanted to tell you. You have—one of the points is, when people come for a job you can't have them start the job and get certified later. How do you find out if somebody can even work, see well enough or hear well enough to do the job? In other words, I once had somebody come in and I said, "Look, come in and work a day or two and see how you can do."

This poor person went down to the office and got hollered at, said, "Oh, you weren't supposed to start the job before you got certified. You're not supposed to do this and that."

I mean you have to take these people on a 1- or 2-day trial and see if they work out.

Senator QUAYLE. I think the most important thing is to try and get them a job.

Mr. LANGER. The other thing is, you are paying too much for the spaces that you have with your offices. In our county, I noticed, you have gone from a $375- or-400 a-month office to one that is $1,075, and for what you have to do, all you need is a nice warm, heated place with air conditioning on a well-lit street. And it's very wasteful—I mean if you multiply the $600 a month times 12 times all the counties you are in, I think you ought to give them a square-foot figure, monthly figure, or something as to how much they can spend in these areas.

Senator QUAYLE. Spoken like a very efficient small businessman.

Our last witness is Susan Johnson.

Ms. Johnson.

Ms. JOHNSON. I am reading the testimony for Sharon Croell.

I am a 35-year-old mother. My husband has Huntington's Disease and lives in a nursing home. Two years ago I was very worried about the financial future for myself and my children. Thanks to Kankakee Valley Job Training Program, my life has changed and the future looks brighter.

In the Spring of 1983 I was accepted into the CETA Program through the Occupational Development Center. I knew I wanted to go to school and train in the medical field, but I had no idea where to begin or how to finance this achievement, this advancement in my career.

The counselors helped me to set realistic goals and showed me what steps to take to achieve them. I was accepted at Indiana Vocational Technical College for the Winter of 1983 in the Respiratory Therapy Program, and transferred to Kankakee Valley Job Training Program when it replaced ODC.

Kankakee Valley Job Training Program provided the funds necessary for my tuition, books and supportive expenses to complete my program.

With this support and careful encouragement from trained counselors, I was able to succeed in my goals of being trained in a definite career.

I am truly thankful for Kankakee Valley Job Training Program, for their support and guidance. I graduated from Indiana Vocational Technical College in November of 1984. I took my certification examination in March of 1985. I passed the exam and I am now a Certified Respiratory Therapy Technician, employed at Porter Memorial Hospital in Valparaiso, Indiana.

Every time I sign a patient's chart, "Sharon Croell, CPT," I have Kankakee Valley Job Training Program to thank.

Senator QUAYLE. Well, thank you very much, Ms. Johnson, for reading the statement of Sharon Croell, and I'm sorry she is not here, but we congratulate her on her job and being productive.

It's a good, optimistic note on which to conclude this meeting, because that's what it is all about, to try to put people to work and allow them to become productive.

Thank you, and I thank the panel.

[Additional statements submitted for the record follow:]

FOR RELEASE TUESDAY, JULY 2, 1985

State of Indiana
Senate

Senator Carolyn Brown Mosby
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Gary, IN 46404
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Committees
Economic Development-
(Ranking minority
member)
Transportation & Tele-
communications
Governmental Affairs

STATE SENATOR MOSBY'S STATEMENT TO U. S. SENATOR DAN QUAYLE'S HEARING
(Gary, Indiana - July 2, 1985)

SENATOR QUAYLE, LADIES AND GENTLEMEN:

I WANT FIRST TO EXPRESS APPRECIATION TO SENATOR QUAYLE FOR SCHEDULING A HEARING IN GARY, INDIANA, A COMMUNITY WHOSE EXPERIENCES IN UNEMPLOYMENT HAVE ALMOST RE-WRITTEN THE DEFINITIONS OF "MISERY LEVEL", "HUMAN DISTRESS", AND "HIGH UNEMPLOYMENT".

MY STATEMENT IS QUITE BRIEF, AND HOPEFULLY, NON-REPETITIOUS.

WHILE I APPLAUD THE MANY POSITIVE POINTS OF THE JOB TRAINING PARTNERSHIP ACT, WE NEED TO POINT OUT SOME MAJOR CONCERNS ABOUT ITS REAL IMPLEMENTATION. MY REMARKS ARE INTENDED TO BE NATIONAL IN SCOPE, NOT LOCAL.

SPECIFICALLY, MANY OF US VIEW THE ACTUALITY OF THE PAST SEVERAL MONTHS AS JTPA'S ACTUALLY BECOMING MORE OF A FISCAL SUPPLEMENT FOR PRIVATE SECTOR INTERESTS, THAN AN ACTUAL REAL REMEDY FOR RELIEVING UNEMPLOYMENT AND ASSISTING DISLOCATED WORKERS. IN OTHER WORDS, THE MAJOR BENEFICIARIES SO FAR, APPEAR TO BE BUSINESS AND INDUSTRY, AND NOT THE UNEMPLOYED.

ADDITIONALLY, IT IS URGENT THAT ANY NEW LEGISLATION, AMENDING JTPA, INCLUDE SOME CONTINGENCY RELATIVE TO PRIVATE SECTOR REDUCTION IN OPERATIONS, CLOSINGS, RELOCATIONS, ETC. LOCAL GOVERNMENT, STATE GOVERNMENT, EMPLOYEES, ETC., MUST HAVE TIME AND OPPORTUNITY TO PREPARE FOR THE MAJOR EVENTS OF LOSS OF JOB OPPORTUNITIES.

FINALLY, I URGE THE UNITED STATES CONGRESS, SENATOR QUAYLE AND HIS COLLEAGUES, TO USE APPROPRIATE PERSUASION TO BRING ABOUT THE MAJOR INVOLVEMENT OF THE PRIVATE SECTOR IN "DRAWING THE MAP", SO-TO-SPEAK, FOR ORDERLY PREPARATION FOR REDUCTIONS IN THE WORKFORCE, AND FOR MORE EQUITABLE USE OF JPTA FUNDS BY THE UNEMPLOYED, AND BY THE PRIVATE SECTOR.

THANK YOU FOR THE OPPORTUNITY TO PRESENT THIS STATEMENT.

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JOB TRAINING PARTNERSHIP ACT

PUBLIC OVERSIGHT HEARING

Testimony submitted by

Michael L. Madalon, Director
Lake County Department of Public Welfare

The Lake County Department of Public Welfare has serious concerns regarding employment and training in Northwest Indiana. The problem of unemployed and structurally unemployed people is one which affects all citizens in our geographic area.

As an agency charged with the public duty of expending approximately $150,000,000 per year in Lake County for public aid, child welfare programs, medicaid, food stamps, hospital care for the indigent, and other, perhaps less well known, aid programs, the Lake County Department of Public Welfare must address the problem of unemployed workers and their families directly every day. Because we must discharge this duty in a geographic area which has been dealt a serious blow by international economics, we must look to pragmatic and immediate remedies as well as long range goals.

It is well known to all in Indiana, citizens and politicians alike, that Northwest Indiana was built on the metals industry. It is also recognized by political and industrial leaders that we, as a nation and particularly here as a part of that nation, can no longer rely solely on this industry as our backbone.

Planning for the retraining of unemployed people is not a difficult task. It calls for an anlysis of skill needs and an assignment of resources to meet those needs. But that identification means that the nation's needs can be met. And it means that the needs of some individual citizens can be met. It does not mean that the needs of Northwest Indiana can be met.

Lake County, the most populous in Northwest Indiana, is faced with a bigger task. One of recognizing our situation, and acting to save our community. It is not enough to train people; we must show the leadership and the willingness to change our own attitudes and lead ourselves out of this potentially deadly situation.

A public-private partnership, one based on the Job Training Partnership Act guidelines, can help. But it must be based on reality. And it must be supplemented with concrete plans to attract new industry, large and small; high-tech and basic; which can rebuild an area once strong but now drowning in its own poverty.

The Lake County Department of Public Welfare is perhaps the largest cash industry in our county. This state of affairs is not only frightening, it is potentially devastating to all segments of our local society, and to those who may wish to locate commerce and industry here. We can not train people to jobs in service industries or encourage small businesses if we can not sustain major, diversified industry.

Perception and leadership are the keys to saving Northwest Indiana. And because we in fact have been a major source of income to the state of Indiana, it is imperative that we all endeavor to save Northwest Indiana.

Perception _is_ a great deal of the problem in Lake County, Indiana. And that perception is not one necessarily created by others throughout the state or throughout the nation. We, here, have helped to create and sustain certain political, economic, and demographic perceptions which do not reflect the reality of Lake County, Indiana.

Lake County, indeed all of Northwest Indiana, still has a great strength. We are a crossroads of transportation by rail, water, and roadways for this nation. We have a highly trained workforce. We have physical plants which, with imaginative use of capital investment, can again be useful to industry.

But it will take leadership to make this area strong again. We must set aside artificial boundaries which have separated and weakened us. We must set aside political differences and short-term economic or governmentally subsidized benefits which have polarized us. We are a community paralyzed by a devastating poverty population which we must help to become a productive population again.

To do this we must understand that our $150,000,000 in payments are disbursed, to a great extent, to individuals who in fact want to again become productive families. We must understand that the new poor are in fact our neighbors who are accustomed, like "us", to earning a paycheck. We must understand that many recipients of public aid and food stamps are formerly employed men and women who contributed to the economy by buying houses, cars, and appliances; who took their families on vacations; and who are not happy being identified as "welfare people".

We, in this nation, and in this county, recognize that government must decide priorities. We recognize that those decisions are not easy to make. We recognize that government incentives are often detrimental to those who receive them, whether they be industries or individuals. We also recognize that government is one of the more important segments of our economy, and therefore will help determine the path this nation and this county follow.

Our decisions nationally and locally from this point on will not be easy ones to make. And we must make them as a joint team of private and public players.

The Lake County Department of Public Welfare is willing to help in this partnership. But we submit that the JTPA program, if it is to help us as a county and as a nation, must look beyond just training and retraining of individuals. It must look to a meaningful creation of local goals and objectives to attract the industry that will create its own jobs and help to create the opportunities for small businesses and service/support industries which will rebuild our county and our nation for our future and for our national interest. The local implementation of the Job Training Partnership Act must involve leadership - the leadership of those who are willing and still able to create opportunity where it previously existed and can still be resurrected.

TESTIMONY TO
SENATOR DAN QUAYLE
CHAIRMAN OF THE SENATE
LABOR SUBCOMMITTEE
ON EMPLOYMENT AND PRODUCTIVITY
ON
OVERSIGHT OF THE
JOB TRAINING PARTNERSHIP ACT

Mary Kay Budak
State Represenitive
District 9

MR CHAIRMAN:

I AM MARY KAY BUDAK, STATE REPRESENTATIVE FROM DISTRICT 9. ALTHOUGH I AM NOT A MEMBER OF THE PIC OR GOVERNING BOARD OF THE LOCAL ELECTED OFFICIALS, I HAVE HAD A CONTINUING STRONG INTEREST IN THE KANKAKEE VALLEY JOB TRAINING PROGRAM, INC. SINCE ITS INCEPTION. THE DISTRICT I REPRESENT HAS BEEN HEAVILY HIT BY UNEMPLOYMENT AND HAS A LARGE DISADVANTAGED POPULATION. BECAUSE OF THIS, THE TWO AREAS I WOULD LIKE TO ADDRESS SPECIFICALLY ARE THE DISPLACED HOMEMAKER AND THE DISLOCATED WORKER.

OUR DISTRICT HAS ALWAYS HAD A LARGE POPULATION OF THOSE WHO ARE SINGLE HEADS OF HOUSEHOLD WITH DEPENDENTS. MOST OF THESE ARE WOMEN WHO, WHEN ATTEMPTING TO ENTER OR RE-ENTER THE JOB MARKET, ARE TRULY DISPLACED HOMEMAKERS. WITH THE DOWNTURN IN ECONOMY, MORE WOMEN ARE ATTEMPTING TO ENTER OR RE-ENTER THE JOB MARKET AND ARE ILL-PREPARED AND UNTRAINED FOR TODAY'S MARKET. SINCE THE BEGINNING OF JTPA, KANKAKEE VALLEY HAS ENROLLED ABOUT 200 SINGLE PARENTS WITH DEPENDENTS, NEARLY 100 OF WHOM ARE CLASSIFIED AS DISPLACED HOMEMAKERS. THIS GROUP NEEDS A MEANS TO OBTAIN NOT ONLY GOOD TRAINING BUT ALSO GOOD ASSESSMENT, SUPPORT AND COUNSELING. AS A GROUP THEY ARE EASILY DISCOURAGED, LACK SELF CONFIDENCE, NEED MORE TRAINING AND/OR EDUCATION, AND HAVE MORE BARRIERS TO ATTENDANCE IN TRAINING OR EDUCATION COMPONENTS. NEARLY 72% OF THOSE WHO HAVE COMPLETED A PROGRAM THROUGH KANKAKEE VALLEY DURING THE PERIOD OCTOBER 1, 1983, THROUGH JUNE 1, 1985, HAD OBTAINED EMPLOYMENT BY THE END OF THEIR PARTICIPATION. THIS IS A SLIGHTLY HIGHER PERCENTAGE THAN THE AVERAGE POPULATION AND TRULY A REMARKABLE STATISTIC FOR A NEW BUSINESS.

WITH INDUSTRY REDUCING ITS WORKFORCE AND MORE COMPANIES MOVING OUT OF THE AREA OR SIMPLY CLOSING THEIR DOORS, THE NUMBER OF WORKERS AFFECTED BY DISLOCATION HAS INCREASED SUBSTANTIALLY. WHILE THE TITLE II PROGRAM OF JTPA HAS BEEN ABLE TO ADDRESS THE NEEDS OF SMALL NUMBERS OF DISLOCATED WORKER'S (WHO HAVE BEEN QUITE SUCCESSFUL), THE INCLUSION OF TITLE III FUNCTIONS INTO THE KVJTP, ENABLES THEM TO PROVIDE SERVICES SIMILAR TO THE DISADVANTAGED TO A LARGE NUMBER OF PEOPLE WHO MIGHT NOT QUALIFY AS DISADVANTAGED, BUT CERTAINLY NEED RE-TRAINING. TRAINING, SUPPORT AND COUNSELING TAKE A DIFFERENT SLANT WITH DISLOCATED WORKERS THAN WITH OTHER POPULATIONS. ALTHOUGH KVJTP HAS HAD FUNDS FOR ONLY SLIGHTLY LESS THAN THREE MONTHS, OVER 100 HAVE TAKEN ADVANTAGE OF ALL OR A PORTION OF THEIR SERVICES. AN ADDITIONAL 100 HAVE BEEN GIVEN SPECIAL GUIDANCE AND INTRODUCTION TO THEIR SERVICES ON THE SITE OF A LOCAL INDUSTRY. THAT'S MORE THAN 200 PEOPLE IN LESS THAN THREE MONTHS. 16% OF THE FIRST 100 ALREADY HAVE NEW JOBS AND 10% ARE ALREADY TAKING PART IN ADDITIONAL OR RE-DIRECTED TRAINING.

BOTH OF THESE GROUPS NEED A COUPLE OF SIMILAR SERVICES, THE PRIMARY ONE BEING SUPPORT ON A FINANCIAL BASIS. SINGLE PARENTS (DISPLACED HOMEMAKERS) NEED BABYSITTERS AND GAS FOR THEIR CARS WHICH COSTS MONEY IN ORDER TO GET TO THEIR TRAINING AND/OR EDUCATIONAL SITES. DISLOCATED WORKERS WHO ARE LIVING ON SERIOUSLY REDUCED OR NON-EXISTENT INCOME NEED BABYSITTERS AND GAS FOR THEIR CARS TOO. "PARTICIPANT SUPPORT", THE CATEGORY WHICH COULD ADDRESS THESE NEEDS, IS SERIOUSLY UNDERFUNDED, HAMPERED BY PERCENTAGE REQUIREMENTS.

ALTHOUGH I UNDERSTAND THAT THE SDA CAN REQUEST A WAIVER TO INCREASE EXPENDITURES IN THIS COST CATEGORY, MOST WOULD BE RELUCTANT TO DO SO FOR FEAR OF BEING CONSIDERED TOO LIBERAL OR WELFARE ORIENTED. HOWEVER IF THE PERCENTAGES WERE BROADENED A BIT, THE PIC'S MAY FEEL MORE "JUSTIFIED" IN THE UTILIZATION OF THESE DOLLARS FOR CLIENT SUPPORT PURPOSES.

ALTHOUGH I HAVE CITED ONLY TWO CATEGORIES OF POPULATIONS SERVED - EACH WITH SIMILAR BUT CERTAINLY NOT IDENTICAL NEEDS - THESE ALONE SHOW THAT JTPA IS WORKING, AT LEAST IN OUR SDA - KANKAKEE VALLEY - AND WORKING WELL WITH PROMISE OF WORKING EVEN BETTER IN THE FUTURE. MY DISTRICT IS BEING HELPED - PEOPLE ARE FINDING JOBS IN OUR TIGHT ECONOMY, PEOPLE ARE BEING TRAINED WITH AN EXPECTATION OF FINDING EMPLOYMENT IN OUR AREA. THERE IS HOPE.

THANK YOU.

Senator QUAYLE. With that, the committee will be adjourned.

[Whereupon, at 3:18 p.m., the hearing was concluded.]

OVERSIGHT ON THE JOB TRAINING PARTNERSHIP ACT, 1985

WEDNESDAY, AUGUST 7, 1985

U.S. SENATE,
SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY
OF THE COMMITTEE ON LABOR AND HUMAN RESOURCES,
Lafayette, IN.

The subcommittee met at 9 a.m., in the Federal Court Building, Lafayette, IN, Senator Dan Quayle (chairman of the subcommittee) presiding.

Present: Senator Quayle.

OPENING STATEMENT OF SENATOR QUAYLE

Senator QUAYLE. We will go ahead and begin this morning. I would like to welcome our witnesses and to welcome our visitors and the media to this hearing on the Job Training Partnership Act.

I have been going around the State the last several weeks trying to gather testimony on the Job Training Partnership Act to see how in fact it is being implemented. I think one of the obligations that we have once legislation is passed, is to get out in the field and to find out firsthand how the program is being implemented. I think it is too often the case where people pass laws in Washington and stay out there and do not come back and find out how the law is being implemented. The best experts on the Job Partnership Training Act are the witnesses that we are going to hear from today.

I believe that the testimony we have had thus far has been rather conclusive insofar as regarding the partnership between the private sector and public sector. There has been cooperation that has given the kind of spirit necessary to train and retrain individuals that need to find jobs.

If you compare the track record of JTPA as compared to CETA, you will find in fact an overwhelming difference in the fact that JTPA has a job placement rate for adults of 80 percent; for the young people, around 70 percent. And this compares remarkably to the CETA Program where you had a job placement rate of closer to 16 to 17 percent. In JTPA, you can see that the emphasis, in fact, has been on training and retraining. The emphasis has been trying to put people to work, and we have tried to allow as much flexibility as possible. We believe that the innovation and the creative ideas rest with the local people and the local sectors who can most effectively exercise the initiative that can take place with JTPA.

Those are some of the most important issues I have found in Evansville, Indianapolis, South Bend, and in the Hammond-Gary area. I will be traveling this afternoon up to Fort Wayne. We have had a number of such hearings and, sometime this fall, we will be making a composite of statements that have been made in Indiana and elsewhere.

As the primary author of JTPA and also being the subcommittee chairman, I have to report back the findings that we have and, in all probability, there will be some perfecting amendments and adjustments that will be made to JTPA sometime next year.

The first program year has just concluded this July 1. We are in our second program year. I think a little over a year's experience is certainly time enough to find out how the program is working. So today we have representatives from the Tecumseh and the western service delivery areas. These are 2 of the 17 delivery service areas in the State. First is a panel of representatives of the local public-private partnership. And as I read off the names, please come forward.

Rebecca McKinney, Hon. Bruce Osborn and Hon. James Riehle and Hon. Pete Chalos and James Diehl and Ronald Harms.

OK. Now, we have 25 witnesses today. I am going to ask our panel to please try to stay within the 3 minutes allotted for testimony. Your entire statement if you have a prepared statement, will be put in the hearing record, the committee record, in full.

I ask my aide over here to quietly come up and slip a piece of paper to you saying your 3 minutes have expired. And then if you will summarize your thoughts, it will be greatly appreciated.

This will allow time for questions and answers. There are 25 witnesses here today.

The first I have is Ms. Rebecca McKinney, who is the private industry council chairperson. She is the general manager of McKinney's Flowers here in Lafayette.

Ms. McKinney, will you go ahead and pull the microphones over by you and proceed at your pleasure.

STATEMENTS OF REBECCA L. McKINNEY, PRIVATE INDUSTRY COUNCIL [PIC] CHAIRPERSON, GENERAL MANAGER, McKINNEY'S FLOWERS, INC., LAFAYETTE, IN; HON. BRUCE OSBORN, TIPPECANOE COUNTY COMMISSIONER, LAFAYETTE, IN; HON. JAMES RIEHLE, MAYOR OF LAFAYETTE, IN; HON. SONJA MARGERUM, MAYOR OF WEST LAFAYETTE, IN; HON. PETE CHALOS, MAYOR OF TERRE HAUTE, IN; HON. JAMES DIEHL, PRESIDENT, VIGO COUNTY BOARD OF COMMISSIONERS, TERRE HAUTE, IN; AND RONALD HARMS, PIC CHAIRMAN, OWNER, OTTO'S GAS CO., BRAZIL, IN

Ms. McKINNEY. Thank you, Senator Quayle, for the chance to report my thoughts on how JTPA is working and how it may be made to work even better.

First, government is on the right track. In the studies reported by the book, Mega Trends, everything points toward diversity, local solutions to local opportunities, and people taking control over their own lives with a decreased dependency on government.

I applaud you and the others responsible for developing JTPA for recognizing these trends and applying them to the new program rather than revisiting the old system.

As you well know, people are not apathetic if they perceive their involvement will make a difference.

Second, I applaud your support in involving local business people and in recognizing that successful businesses are run on the same principles that work efficiently and effectively in JTPA programs also. In the book, "In Search of Excellence," one result of the study shows clearly that ideas gleaned from the assembly line are much more effective in increasing productivity and motivation among the workers than edicts from the upper management, or throwing money at a problem without consulting those affected. This principle of local planning has been the key to our program's success.

Third, we can make a good program even better by implementing another important business principle, long-range planning. Present JTPA funding levels and performance standards fluctuate greatly and almost without notice. In my business, I plan my advertising a year ahead. My Christmas poinsettas were ordered in July, and I know how many planters and bouquets I will do ahead for every holiday in the next 12 months.

Locally, we would like to make long-range plans this way for the JTPA Program.

Fourth, JTPA could be more effective if available funding would more nearly reflect the needs of the local population. Because of the large university student population, about two-thirds of our funds must be spent on a little over one-third of our eligible population. This is not fair. One way to make it fair would be to subtract out the numbers of university students and determine the local youth funding level by a ratio of unemployed and economically disadvantaged.

In conclusion, I would like to say the local PIC-LEO partnership has proven our ability to plan and oversee JTPA programs creatively and effectively, and we will continue doing so provided our hands are not bound by increased restrictions, decreased local control, or changes forced on us by Federal and State officials, no matter how well-intentioned they may be.

With the few changes I have outlined in my written testimony in place, I see no reason to amend the act itself. JTPA is working very well in the eight county Tecumseh area.

Thank you.

[The prepared statement of Ms. McKinney follows:]

Testimony By: Rebecca L. McKinney
General Manager, McKinney's Flowers, Inc., PIC Chairperson

Hearings of the Employment and Productivity Subcommittee
U. S. Senate Labor and Human Resources Committee
Lafayette, Indiana
August 7, 1985

Thank you for the opportunity to present testimony relative to our local operation of programs funded under the Job Training Partnership Act.

As the Chairperson of the Tecumseh Area Partnership Private Industry Council, I would like to address four major areas:

First, that the Private Industry Council members are an active and involved group of volunteers who do an excellent job of carrying out their responsibilities.

Second, that our area programs are working effectively to train and place the unemployed and economically disadvantaged.

Third, that the Private Industry Council is concerned about the impact of performance standards and inflated youth expenditure requirements.

And fourth, that council members are disturbed about the instability created by fluctuating performance standards and funding levels.

My experience on the Council is probably representative of that encountered by other members. I had no real knowledge of the responsibilities of PIC membership, nor did I anticipate the large amount of time those responsibilities would require. Therefore, the first few months of council activities involved a concentrated education process while we were simultaneously getting our local programs off the ground. In this service delivery area, the PIC chose to incorporate. Negotiations with the Local Elected Officials resulted in a local agreement that the Private Industry Council would take the lead role in the local partnership and would serve as the area Grant Recipient. The initial area Job Training Plan was written primarily by staff because the PIC had yet to develop adequate expertise to be able to deal with the overwhelming requirements. The planning process was very instructive because it was the first contact many of us, especially private sector representatives, had encountered with a "Government program." The early experience really opened some eyes and showed us that this was not a private sector program, rather it was a government program locally controlled by the private sector. Gradually, the PIC became both knowledgeable and more active in the planning and oversight process. The council met frequently to take care of what seemed like an endless series of administrative requirements that had to be completed to receive funds from the State.

By the time the council had been in existence for three months, members were attacking the PIC functions through four working committees: policy development, planning, evaluation, and monitoring. The policy development committee was given the responsibility for establishing local guidelines for program operations. The planning committee transformed these guidelines into the format required by the State in the Job Training Plan. The evaluation committee reviewed program results for effectiveness. And the monitoring committee visited the Administrative Entity and Service Providers to ensure compliance with the bewildering array of Federal and State rules and regulations. All committees were in place and effectively operating after the first six months. The program year 1984 Job Training Plan was very much the product of the PIC. The Local Elected Officials were consulted and kept aware of the plan development process so any disagreements were resolved early in the process.

A key factor in the success of our Private Industry Council has been that dedicated members are very active in identifying local problems and developing creative local solutions. This flexibility is very important to preserve as you consider potential changes in the Act. From my perspective, neither amendments to the Job Training Partnership Act which decrease our ability to define local problems and solutions, nor administrative action by the Department of Labor or State of Indiana which serve to narrow the scope of local options can be supported. These actions are not needed because the local partnership is working.

A prime reason that decreased local authority is not necessary is that our local programs have proven to be very effective in training and placing unemployed and economically disadvantaged into jobs. From the beginning the PIC took a strong stand that program outcomes would meet or exceed performance standards. For both program years, the area has met all seven performance standards. Over 90% of economically disadvantaged adults have been employed after training. Participants in this Service Delivery Area do not have to ask if there is a job at the end of training. More unemployed area residents have been served than we planned, with a higher success rate and a lower cost. This is a credit to our service providers and to the cooperating agencies we work with. Overall, the Private Industry Council has been very pleased with the results of our labor. Statistics show that not only are our results very positive in exceeding the performance standards, but the quality of services is equally good. Participants are being retained in the jobs they were trained for and over 80% are still employed six months after termination. In addition the area has provided services to the targeted groups of handicapped, dropouts, welfare recipients, and food stamp recipients at a higher level than planned. These results, although very impressive, only represent the current stage of program evaluation. The Private Industry Council will continue to seek ways that programming can be improved so that more eligible people can be trained more effectively.

One area that concerns the Private Industry Council is the impact of performance standards on services to eligible people. The performance standards push program operations to serve those who are likely to succeed. While there appears to be reasonable flexibility in program design options to be able to meet performance standards, we are concerned primarily with the combined effect of the average wage at placement and cost per entered employment standards. For this area, last year's recalculated average placement wage range was $4.52 to $4.84 per hour. The average cost per entered employment standard range was $2,630 to $3,402. The combined effect of these two standards is to encourage serving those who are less in need of long-term, or expensive, training necessary to produce skill levels that will meet the average wage standard. Only through a coordinated approach with non-JTPA agencies have we been able to train the hard to serve while meeting both these standards. My concern is for the future. Will performance standards continue to be tightened and therefore increase the pressure to target our services to easier to train groups.

Another concern we have is the mandated youth level. The nationwide 40% expenditure level expenditure was established by Congress as a policy decision which reflects the magnitude of the youth unemployment problem and the priority this issue has assumed. I do not disagree with the needs of this group. The problem locally is that several Purdue University students are considered economically disadvantaged and, therefore, are included in the youth funding levels. This has resulted in the State revising upward the youth expenditure levels for this area to 45%. The fact that the only other two SDAs with mandated youth expenditure levels adjusted to 45% also include large university populations (Muncie and Bloomington) is no coincidence. There is obviously a flow in the census data used to determine youth levels. The Private Industry Council does not have any desire to serve current college students because we would prefer to serve those who are both unemployed and economically disadvantaged. The State has developed no procedure for requesting a waiver of this requirement. In this area, we have been able to overcome the inflated youth expenditure requirement by creative local solutions. During the past program year, over 48% of our expenditures were for youth programs. The inequity is compounded by the fact that the same formula is used for determining allocations under Title IIB for summer youth programs. The total combined funds that we are required to spend on youth is about two million dollars ($2,000,000). This money has been targeted for providing services to an estimated total eligible population of 8,048. In contrast, the service delivery area will receive slightly over one million dollars ($1,000,000) this year to serve 22,259 eligible adults. Almost two-thirds of our funds must be spent on the 36% of our eligible population that are under twenty-two years old. This is not an equitable distribution. One possible solution to this problem would be to determine the appropriate Service Delivery Area youth expenditure level by the ratio of unemployed and economically disadvantaged. This is the group we should be serving.

The fourth area I will discuss relates to the disturbing trend toward widely fluctuating performance standards and funding levels. The cost standards dropped 30 - 50% from the first program year to the second. This apprently resulted from the change in data base from CETA to early JTPA performance results. I can understand the validity of using JTPA program data to form the foundation for JTPA performance standards, but I am concerned that the trend might continue. The Private Industry Council will attempt to improve the programs we are now operating even without tightened performance standards. We do need at both the Federal and State levels, maximum possible stability in performance standards to allow us to expend our efforts in program refinement, not in total redesign.

Steady and adequate funding levels are also required for the program refinement process. The States are covered by a 90% hold harmless clause which controls major fluctuations in funding levels. The Service Delivery Areas have no such guarantee. Two Indiana Service Delivery Areas received funding cuts of about 30%. I suspect the PICs in those areas concentrated all their efforts on dealing with the funding situation and very little on program improvements. Our Private Industry Council passed a resolution urging that some variety of substate funding guarantee be implemented by the Governor. We were informed that the Job Training Partnership Act did not allow the State to adopt such an approach. If this is the case, I urge the Department of Labor to allow this option to be exercised by the Governor, should he so choose.

Before I conclude my testimony, I would like to summarize a few of my thoughts. First, the Tecumseh Area Partnership Private Industry Council has shown the ability and desire to effectively plan and oversee JTPA programs in the area that bring positive results. Given the atmosphere of flexibility and stability, the PIC will continue to initiate program improvements. Finally, with the few administrative changes I suggested earlier, I see no reason to make significant modifications or amendments to the Act. In this area JTPA is working very well.

Senator QUAYLE. Thank you very much, Ms. McKinney.

Next is the Honorable Bruce Osborn who is a Tippecanoe County commissioner.

Mr. OSBORN. You can leave off the first part.

Senator QUAYLE. Leave off the first part.

Mr. OSBORN. I have honorable written out here in capital letters.

Mayor RIEHLE. What did you call him?

Senator QUAYLE. Honorable.

Mr. OSBORN. That is all right.

Senator QUAYLE. I am not going to go any further. I am not going to ask the next question.

Mr. OSBORN. Thank you, Senator Quayle.

If I might touch upon the previous CETA Program, and fortunately, or unfortunately, I have been with CETA since its inception. Tippecanoe County was the prime sponsor, and through all, was not well with it. There was much good accomplished, however.

The new program, I believe by experience, inception, and rules had a blueprint for success, but the fact that we could go out and select business people in cooperation with the local elected officials, and I think the Tecumseh area was very fortunate. And I do not know whether you politicians in Washington understand, but you put a lot of emphasis on free time of our leading citizens, and in our particular area, they have graciously accepted it and done a real good job.

And I think secondly, if the program in itself gets the business people to see some of the hassle that we elected people have to go through, I think they would appreciate us a little bit more. I think that is accomplished with the act.

But, by the same token, we have a good area here. Tippecanoe County is a metro area. It is an established trading center for this area. We have a lot of people coming in here. And in appointing the PIC people, I did consult with each commissioner within each county. They suggested names, and these people did graciously accept, and they have given a lot of their time to make the program work. And locally, quite often elected officials, especially commissioners, see the negative side of all programs. There is much positive that has come out of this new program, and I know in our own case here in the Tecumseh area, there were 600 trainees, and out of that bunch of 600, 95 percent were unemployed when they came to us. And out of that 95 percent, 40 percent were receiving food stamps, so I think it has a twofold purpose.

The recipient is better and he is getting off the other tax rolls. And this is not saying anything against the Department of Labor, but I would much rather deal with the State department of labor, which we had to do under the CETA, so I have very little criticism of it really. And I would like to thank both the PIC membership, who has done the bulk of the work, and Tom Ahlers and Ms. Kline who has really seen and made it work. So I thank you for the opportunity to hear and support your program.

[The prepared statement of Mr. Osborn follows:]

Testimony By: Bruce V. Osborn

Tippecanoe County Commissioner, Designated Local Elected Official

Hearings of the Employment and Productivity Subcommittee
U. S. Senate Labor and Human Resources Committee
Lafayette, Indiana
August 7, 1985

As the designated area Chief Elected Official, I see JTPA in two ways. First, I was responsible for appointing the very important initial membership of the local Private Industry Council that would assist in building a firm foundation for JTPA in the area. Council members were selected from a broad range of nominations from all sectors and available sources. The other Local Elected Officials were consulted before the council appointments were made. The twenty-one individuals I appointed to the Private Industry Council were representatives of business, education, labor, and other related programs. A key trait of all those selected was a sincere desire to become actively involved in setting up a quality range of services for the unemployed and economically disadvantaged in the eight county area. From their first meeting, I was pleased that the PIC attacked their duties with enthusiasm and dedication.

The next step in the process was to develop the ground rules for the local partnership between the PIC and Local Elected Officials. The mutually agreeable solution assigned primary responsibility for job training plan development to the Private Industry Council. In addition, the council was designated as the Service Delivery Grant Recipient. The Local Elected Officials chose a less active role with review and comment on the job training plan and oversight being our primary responsibilities.

The program foundation was complete when the PIC and LEOs reached agreement that there should be an office established in each county to deliver JTPA services with a local approach. We also agreed to provide services to residents of each County based on an equitable formula which reflects the eligible population throughout our area.

The approach taken by the PIC and Elected Officials has been a success from any viewpoint and has helped make JTPA programs readily and effectively available in all Counties.

The second view I have of JTPA deals with the area of economic impact. During the last year, over 600 trainees were placed into jobs in this area. Of this 600:

over 40% were receiving food stamps when they applied for JTPA,
over 12% received welfare payments,
over 25% were high school dropouts,
over 7% were handicapped, and
over 95% were unemployed when they applied for JTPA.

The fact is that over 600 unemployed people are trained and placed in jobs through the program each year, and that significant numbers of these individuals were receiving some form of publicly funded assistance when they applied. This means that JTPA programs are reducing the burden on a Federal, State, and Local public support system that has been stretched to the breaking point during the past few years. This is the real value of JTPA in our area and I can certainly say that the program is working well.

Senator QUAYLE. Thank you very much, Mr. Osborn.

Next, we will skip honorable and just say Mayor James Riehle. And I want the record to know that we are here in this room and we are not discussing railroad relocation. And I believe this is a first. Now, do not disappoint me and mention it in the Job Training Partnership Act.

Mayor?

Mayor RIEHLE. Well, thank you, Senator.

I am pleased to welcome you to Lafayette and commend you for conducting this Senate Subcommittee on Employment and Productivity field hearing in Lafayette.

The Tecumseh Area Partnership has been successful in our community and the area considered to be mainly appointees to the partnership in particular, and other dedication to make it work. We have representatives, of course, from business, industry and labor, local public agencies in the area, and local elected officials. It is a complicated act, but they have been working with it and it has been successful with a minimal number of problems and efficiencies.

We have been successful in the city of Lafayette by utilizing title II(a) providing a preapprenticeship training program for cement masons apprentices.

Utilizing community development funds, clients from the JTPA and the supervisory personnel of the Local 121 Masonry Union, we have been able to construct a lot of sidewalks in various areas of the city of Lafayette.

The craftsmanship was very good. It has proven beneficial to the city in many areas, and the union itself has gained some very able apprentices in their program so we have benefited from it.

Like most programs, there are some problems. In my views, it needs to be flexible for the local PIC members to address the problems at the local level. Sometimes, though, the rules and regulations of job performance requirements make that awful complicated, but they have been successful. They have been able to attract a number of people with great ability to this and donate their time for the leadership, but if a successful program, and the recommendation that I would make is that it continue to remain flexible.

It also has a minimum guarantee of funding similar to what the State has. Not knowing what the funding is going to be based on, the job performance requirement can make it extremely difficult to provide for long-term financing, so I would recommend that there is a way to overcome that, to provide for more guaranteed level of funding, to provide for future planning, it could even be more successful. I was not going to say anything about railroad relocation; however, later in your trip to Lafayette, I would be glad to talk to you about some of it.

[The prepared statement of Mayor Riehle follows:]

STATEMENT BY JAMES F. RIEHLE
Mayor, Lafayette, IN

FIELD HEARING OF
SENATE SUBCOMMITTEE ON EMPLOYMENT
AND PRODUCTIVITY
LAFAYETTE, INDIANA
AUGUST 7, 1985

My name is James F. Riehle, Mayor of Lafayette, and I am pleased to welcome you Senator Quayle, to Lafayette and wish to thank you for conducting a field hearing of the Senate Subcommittee on Employment and Productivity in our community.

My view of the Job Training Partnership Act, as a Local Elected Official, involves employment concerns of the Greater Lafayette Area. The need of skill development for youth, re-training opportunities for the displaced worker, and employment strategies for the structurally unemployed adult, are areas of local concern addressed by the JTPA. During the planning and development of local JTPA programs, these concerns were expressed and considered with the Private Industry Council.

The advantages of fashioning an employment and training program at a local level to meet local needs emerged as the PIC-LEO team reviewed and selected the administrative entity, grant recipient, director, and service providers for our eight county service delivery area. The planning phase incorporated existing working relationships between private industry, community agencies and service providers within each county and municipal area represented. This approach elicits a commitment to success. It provides local solutions to local employment problems.

The variety of public agencies and private concerns represented on the Tecumseh Area Partnership PIC offers diverse strategies in response to employment and training needs. The Indiana Employment Security Office in Lafayette provides employment data and trends unique to this area. These are supported by responses from both corporate and small business staffing projections. Ivy Tech, Purdue University, area secondary schools and the Lafayette Adult Reading Academy, respond to the availability of training programs to fill these needs. Indiana Vocational Rehab Services and Indiana Green Thumb advocate consideration of special needs in the structurally unemployed population. The role of unions in developing employment and training services gains representation to PIC through an AFL-CIO Community Service Representative. The effectiveness of inter-agency cooperation and commitment through local control may be seen in program results.

During the first twenty-one months of the JTPA in the Lafayette area, 91% of the 152 adults served and terminated under Title II A, entered employment. Of the total youths served under the same Title, 74% of the 113 youths served and terminated, entered employment. These figures represent approximate totals of both adults and youths served who are also residents of the City of Lafayette.

The City of Lafayette as an employer, benefits directly under both Title II A & B. Funding through II A provides training wages for a Cement Mason Pre-Apprenticeship Program. This is accomplished through a cooperative effort between the City's Community Development Department and the Cement Masons Local #121, resulting in potential candidates for the Apprenticeship Program. II A funding also provides on-the-job training wages for a maintenance employee. Title II B summer wages, provide for a special project at Lafayette's Municipal Zoo.

The Greater Lafayette community benefits from Title III assistance for dislocated workers following a local plant closing, which affected nearly four hundred area residents. Cooperation between our local service provider, Career Development, and union representatives, provides job-seeking and re-training programs.

Local involvement from the planning through the implementation phases of JTPA, encourages accountability from both the service providers and the PIC. This is evidenced in the superior quality of monitoring and evaluation completed by PIC members, revealing an absence of major program difficulties.

The JTPA Programs have achieved success locally, primarily due to the active interest, control and participation of the local PIC, industry, business and labor organizations, public agencies and local elected officials. Any change that would disseminate the ability of local partners to meet local needs and solutions, should be resisted. JTPA programs must have flexibility to provide innovative, coordinated services to meet unique local needs. Funding levels need to be consistant from year to year. Service Delivery Areas should have a minimum guaranteed funding level presently available to States.

Thanks again, Senator Quayle, for the opportunity to submit this testimony, and I would be pleased to answer any questions you may have.

Senator **QUAYLE**. I thank you, Mayor.

Next we will go to the other side of the river, the mayor, Sonja Margerum, who is the mayor of West Lafayette. Welcome.

Mayor **MARGERUM**. Thank you, Senator Quayle, and welcome to you.

I appreciate the fact you are getting comments from the local officials and local people to see how this legislation is working out.

I would like to thank the PIC, LEA, and LEO members who have spent a lot of time working. I am not on the board but I have seen proof of their work and I know that it does take a lot of time working with the volunteers and people that are assigned to this.

I believe the success of the Job Training Partnership Act has been the opportunity for the private sector to work with the local elected officials, and it has also been a means of targeting those jobs to make sure that the training does meet the local needs. And I think that has been part of the success.

Also I have been impressed with the fact that training has been on job retention as well as getting the job. As an employer, many times we see people come in who really do not have the job skills and really struggle to keep their jobs, so I think training for job retention is an important part of the program.

In speaking with some of the staff members, they state that area employers have been so impressed with the program that they have called for referrals when they have openings, and I think that is a testimony to their success.

One of the other important features of it is the work experience opportunities for youth during the summer months. And we have been able to take advantage of that in West Lafayette and have approximately 40 youths per year in the summer in West Lafayette working in the parks and various other places. JTPA services about 25 adults and 20 youths per year in the West Lafayette area.

Last spring, we had a spring cleanup and the local youth group came and volunteered their services to the city and helped in the cleanup, and I think that was certainly a step forward that they were giving as well as receiving aid.

So, in conclusion, I would like to say that the Job Partnership Training Act has worked well, it has targeted jobs to the local needs. And I would like to see it continually funded at this level, if not higher.

Thank you for my chance to testify.

Senator QUAYLE. Thank you very much, Mayor.

OK. That takes care of the Tecumseh service area. We will go over to the western Indiana service delivery area.

Mayor Chalos, I do not believe, has arrived yet, so we will pass him momentarily and go on to Mr. James Diehl, who is the president of the Vigo County Board of Commissioners in Terre Haute.

Mr. Diehl, welcome.

Mr. DIEHL. Thank you, Senator, for the invitation to address this hearing today.

I am president of the Board of Commissioners of Vigo County. The Board of Commissioners in Vigo County are the only elected officials in the SDA with experience in employment and training, having been a CETA prime sponsor. The SDA is a five-county area—Clay, Parke, Putnam, Vermillion, and Vigo. I have also been elected by the other elected officials to act as the lead local elected official.

I would like to address you briefly today about JTPA from the view of a local elected official who was a CETA prime sponsor. We operated a very successful program by CETA standards in Vigo County—1982 award for best assessments in the State of Indiana. With the inception of CETA title VII, we saw the potential for private sector involvement in employment and training. During fiscal year 1981, we placed all titles and activities under the purview of the private industry council. This was very helpful locally; however, we still suffered from the image of a nationally stigmatized CETA program.

When JTPA was enacted and SDA's had been designated, we met with the appropriate local elected officials and related our experiences. The decision was made to appoint a PIC with a minimum of non-private-sector members. We now have a 29-member PIC of which 20 are from the private sector. The decision was also made to ask the PIC to be the grant recipient and administrative entity, which they are.

The image of JTPA locally is very positive. However, our enthusiasm about local implementation does not mean that we do not see clouds on the horizon. The lack of Federal regulations and directions is allowing the State to impose policies and reporting requirements that are impeding and/or supplanting local control and design.

The categorization of funding sources is a problem. What is viewed as a block grant at the Federal level is not the same at the SDA level. We have more categories with JTPA than we ever dreamed of with CETA. I can readily think of seven categories of II(a) programs: adult, youth, older workers, 8 percent vocational education, 6 percent performance incentive, 6 percent technical assistance, and 6 percent hard to serve. This alone is more categories in one title than CETA had in all titles and does not even count II(b), III formula and III State funds. These categories must all be reported on as if they were individual grants.

Another potential problem is performance standards. Section 106 of JTPA states that the basic measure of performance for adult training programs under title II are to be increases in employment and earnings and reductions in welfare dependency. The performance standards currently being used do not include these standards. Many SDA's are playing a numbers game with low wage placements for the economically disadvantaged and not addressing earnings increases or reductions in welfare dependency. In our SDA, the PIC has opted to address those problems and is very strong on classroom training. They currently have approximately 150 individuals in 1, 2 or more years of training to make them competitive in the labor market at a wage scale that will remove them from the need for further financial support. These activities will have a long-term effect in our SDA. A way must be devised to evaluate performance other than the quick low cost placement on an individual.

In the long run, JTPA will be evaluated by the public and the public perception of JTPA will not be very high if we do not set high standards for ourselves.

Thank you for the privilege of appearing here today.

Senator QUAYLE. Thank you very much.

The final witness of this panel is Mr. Ronald Harms, who happens to be the PIC chairman. He is the owner of Otto's Gas Co. in Brazil.

Welcome, Mr. Harms.

Mr. HARMS. Thank you, Senator Quayle.

I have been a member of the private industry council in our SDA since its inception. When we first came together, we had no idea what was going to take place. We banded together, we discussed the goals that we felt were necessary to attain the objectives of JTPA, and we decided in our particular SDA that we felt that we could do the job best if we were in fact a grant recipient and the administrative manager. We arranged our agreement with the local elected officials, and it has been highly successful.

By having a strong membership from the private sector in our particular SDA, we have the attitude that we are not interested only in numbers. We want to serve as many as possible, but only through quality programs. We are not interested in playing numbers games.

As a result, the program that we have initiated in our SDA, we have a highly successful rate of people participating in that program that are in higher learning institutions within the State of Indiana, Purdue, Indiana State, IU, Ivy Tech, other technical schools. We have had very positive results from the employers through our job development programs within our SDA, and many organizations within our area look to the private industry council because they know that the people they are going to get from there have been properly trained and are looking to better themselves and be productive members of our society.

We have run into some problems. When we first were organized, it was our understanding that the primary control was to be from the Federal to the local level. We have been running into a lot of redtape from the State. The State has imposed a lot of restrictions in reporting and other activities that is giving us, at the local level, a very strong inclination that the State feels that the partnership is, in effect, between the Federal Government and the State government and not the Federal Government and the local government at local levels. So we feel that some changes at the national level to solidify and to make sure that the primary purpose of JTPA and how it is to be handled will continue into the future.

As chairman of our local SDA, I have been privileged to be one of the original members of the State association of PIC chairs which we have just initiated. Our primary purpose for banding together as a 17-member association board is to act as a buffer between the local SDA's and the State at that particular level. We feel like that each SDA has its own particular set of problems, but we have problems that are common to one another, and we hopefully will be able to do some good for our local areas through this association.

My personal feelings so far as JTPA is concerned, it is working, it is working in western Indiana, it is working quite well, and if it is not broke, do not fix it.

Senator QUAYLE. Very good. Go ahead.

Mr. HARMS. I feel like that, given the opportunity for things to remain at the local level, that the program will be highly successful in the future.

Thank you.

[The prepared statement of Mr. Harms follows:]

STATEMENT BY RON HARMS

I would like to express my appreciation for the opportunity to address this JTPA oversight hearing.

My name is Ron Harms. I am the owner of Otto's Gas Company in Brazil, Indiana. I am also the Chairman of the Board of Western Indiana Private Industry Council, Inc. (WIPIC). The Service Delivery Area of WIPIC is a 5 county area including Clay, Parke, Putnam, Vermillion and Vigo Counties.

I had never been on a Board with oversight of a Federal program prior to accepting the appointment to the local Private Industry Council and I approached it with apprehension. With the concurrence of the Local Elected Officials we incorporated and are the Grant Recipient and Administrative Entity. We do the planning and evaluation of programs and have hired appropriate staff to implement JTPA in our SDA.

There are some concerns that I would like to address today, however my primary concern is that JTPA is working in Western Indiana "If it ain't broke--don't fix it." JTPA is a very successful program in Western Indiana and the people that I talk to at home have a very positive view of it.

The fact that JTPA is successful does not mean that it is all roses. The lack of Federal involvement has allowed the State to impose restrictions and arbitrary policies that are slowly eroding local control. When I first became involved I was pleased to hear of the partnership at the local level, however the State has a view that places that partnership at the State level--this is frustrating.

They have imposed reporting requirements that effectively negate any cost pooling. The amount of red tape involved is ridiculous. The Title IIA monies have to be reported to the State as if they were seven different categorical grants. They put the 70-30 cost limitations on the 6% incentive monies which effectively eliminates any local decisions to seek inovative programming. We now will tell staff they done a good job and will get a temporary increase in monies to work a little harder.

The Private Industry Council Chairs have met and are forming an association to address some of our frustrations with the State directly.

One of the problems that can be addressed at the national level is the Performance Standards. When Congress was passing JTPA, they stated in Section 106 that the basic measure of performance for adult training programs under Title IIA are to be increases in employment and earnings and reductions in welfare dependency.

The standards currently being used do not include these measures. There are SDA's in this state that have worked out arrangements with the employment service to enroll individuals that are being placed in jobs. These individuals would have obtained employment with or without JTPA. This is strictly a numbers game and we refuse to play it. Welfare reduction and earnings gains for the economically disadvantaged are very important items on our agenda. We budget more monies for Classroom Training than for any other activity. We currently have approximatley 150 students in post secondary educational institutions. They are at Purdue, Ball State, Indiana University, Indiana State University, Ivy Tech and various other institutions. One of the phrases we use in our SDA is that JTPA is "a G I Bill for the Economically Disadvantaged". The current performance standards do not differentiate between SDA's that are running quality programs and SDA's that will be recycling the same individuals over and over with quick fixes. Performance standards must be established to properly reflect the true intent of JTPA.

The Act must be changed or regulations must be written to reinforce local development of JTPA to meet the needs of the local area. To keep the private sector involved, they must feel that they truly have an impact on the program. If the current trend continues the private sector will lose interest. The individuals with "clout and stature" in the community will no longer agree to serve on the PIC and JTPA will become "just another federally funded bureaucratic program."

Again I thank you for the opportunity to address you and I hope my testimony will be considered in the future development of JTPA.

Senator QUAYLE. Let me ask Mr. Harms and Mr. Diehl.

You both brought up concern for some policies at the State level and the Federal level. Let me see if I hear you properly.

At the Federal level, you would like a little bit better clarification on such things as performance standards; is that right?

Mr. HARMS. Correct. I would like a little more clarification from the Federal level to the State level as to exactly what the role of the State should be in the implementation of and continuance of the JTPA.

Senator QUAYLE. All right

Now, what kind of communication would you like to see from the Federal Government to the State government as to how JTPA ought to be implemented?

Mr. HARMS. Performance standards?

Senator QUAYLE. Performance standards again.

Mr. HARMS. I will give you a primary example.

When the JTPA was passed, it was stated in section 106 that the basic measure of performance for adult training program under title II(a) were to be increases in employment and earnings, and reduction in welfare dependency. That was what the act was all about, as I understand it, and the current standards do not include these measures.

The SDA's within our State have worked out arrangements with the Employment Service to employ individuals. Well, under these kinds of situations, those individuals would have obtained employment anyway, so we are really playing a numbers game.

Senator QUAYLE. OK.

So your largest criticism would be the lack of clear definition and implementation of the performance standards as described by the statutes?

Mr. HARMS. Right.

Senator QUAYLE. In other words, the Federal performance standards are a little bit vague, which leaves it open to what? Too much interpretation or not enough interpretation at the State level?

Mr. HARMS. Too much leniency at the State level for the State to impose their own regulations and restrictions and set the performance standards that deviate away from what the JTPA is all about.

Senator Quayle How did the State performance standards get away from what you have read in the statutes; which is correct?

Mr. HARMS. Primary instincts in Indiana here, our reporting policies that, well, we are reporting like seven different areas as if we are dealing with seven different categorical grants.

Senator QUAYLE. Seven different areas for performance standards?

Mr. HARMS. Yes.

Senator QUAYLE. And you would rather have one overall?

Mr. HARMS. Right.

Senator QUAYLE. OK. Fair enough.

Is the performance standards a problem with your area as well?

Ms. MCKINNEY. Yes.

Senator QUAYLE. Ms. McKinney is shaking her head "yes."

Is it along the same lines—lack of clarification and uncertainty?

Ms. MCKINNEY. There are just too many different grants. They are treated like many different grants and so much redtape. We have to do each grant, as if it is separate, and it is a lot of administrative hassle. It would be better if the grants were all treated as one.

Senator **Quayle**. So each set-aside, whether it be for disabled or lower Americans, or whatever category we have as a subsection. Each one of those set-asides has regulations defining a performance standard. And what you are saying is that you would like to have an overall objective of performance standards and not within each category because it might vary from category to category? Is that in essence what you are saying?

Ms. **McKinney**. Yes.

Senator **Quayle**. Ms. McKinney, in your testimony, you asked about, or stated something about exempting Purdue students from the compilation and calculation of title II.

Explain that a little bit further.

Ms. **McKinney**. They are counted in our youth number of eligible population.

Senator **Quayle**. Of eligible population?

Ms. **McKinney**. Yes; a lot of students do not work because they are supported by their parents, and so they are counted as economically disadvantaged. And usually they are not economically disadvantaged because of support by their parents.

So that makes the numbers appear to be high, and we are spending more money on the youth when we could be applying it to the adults that are economically disadvantaged.

Senator **Quayle**. I got you.

Are all students considered to be economically disadvantaged?

Ms. **McKinney**. If they fall within certain levels of income. That is my understanding.

Senator **Quayle**. I mean the calculations, do you know how they do it?

Do they basically put in most of the students or do they have a formula figured that they plug into——

Ms. **McKinney**. Tom Ahlers will be able to answer that better than I.

Senator **Quayle**. OK. I will ask him. He will be able to answer that later on. Put that in your statement there.

You talked about program stability. We have forward funding in JTPA from July 1 to July 1, which is contrary to the normal Government programs that end on September 30 to September 30. As a matter of fact, in all probability, the Government will shut down temporarily, as they always do, this September 30, but JTPA does not fall within the category because we have got it into the forward funding. Yet, I think Mayor Riehle and Mayor Margerum both spoke to me that you did not have enough forward funding stability.

Is this a problem really?

Mayor **Riehle**. As I understand it, the State has guaranteed 90 percent for the year. That is not true for the local area.

Senator **Quayle**. I know what you are talking about. You, are talking about each service delivery area. We have a problem up in South Bend where they dropped us because the economy went up and their entitlement to money is going to go down something like 40 percent, which we are trying to work out a hold harmless. That goes just to the formula rather than the actual funding from the Federal Government. It is the formla perhaps that we have. I understand that.

I thought that your statement was concerning the actual funding itself because you will know how much you are going to get well in advance. As a matter of fact, it is one of the unique things with JTPA unlike other Government programs. We have what we call forward funding. We fund for 18 months in advance.

OK. I thank you all very much.

Our next panel of representatives of related programs, business and labor, Roger Detzner, James Goar, Donald Scheiber and Paul Wildridge, and Fred Lanaham, George McCullough and William Ray.

First on my list is Roger Detzner, who is the former PIC member owner, former PIC member, and he is the owner of And-Detz Woodmasters here in Lafayette.

Mr. Detzner.

STATEMENTS OF ROGER P. DETZNER, PIC MEMBER, OWNER, AND-DETZ WOODMASTERS, INC., LAFAYETTE, IN; JAMES V. GOAR, PIC MEMBER, CLINTON CITY ECONOMIC DEVELOPMENT COMMISSION, PRINCIPAL BROKER, GOAR ASSOCIATES, FRANKFORT, IN; DONALD E. SCHEIBER, PIC MEMBER, LIAISON REPRESENTATIVE, AFL-CIO COMMUNITY SERVICES, UNITED WAY OF LAFAYETTE, LAFAYETTE, IN; PAUL D. WILDRIDGE, OFFICE MANAGER, INDIANA EMPLOYMENT SECURITY DIVISION, LAFAYETTE, IN; FRED LANAHAM, MANAGER, INDIANA EMPLOYMENT SECURITY DIVISION, TERRE HAUTE, IN; GEORGE McCULLOUGH, PIC MEMBER, LABOR REPRESENTATIVE, UNITED WAY OF TERRE HAUTE, TERRE HAUTE, IN; AND WILLIAM RAY, PRESIDENT, TERRE HAUTE CHAMBER OF COMMERCE, TERRE HAUTE, IN

Mr. **Detzner**. Thank you, Senator Quayle.

I have chosen to try and present my testimony in the inward side of what is going on in the JTPA Program in our State as I see it.

A lot of people touched on the outward appearance to the local sector. I have found that, outwardly, it looks great in our SDA. In fact, it is working very effectively because of the involvement of the PIC. However, inwardly, I found some problems and I need to address some of these issues, some of which you have already touched on before. I may touch on them again.

First, I have a problem of accountability. One of the previous testifiers indicated a problem with the State. I think IOOD [Indiana Office of Occupational Development] is the Governor's program that runs the State program that disburses funds in government policies from the State down to the local PIC's. I find that there is a lack of accountability of the IOOD to the local PIC's. There are funds provided, for example, for service training, for the planning, management, and delivery of the JTPA programs. In its inception, a group of private sector individuals were providing an opportunity to get together and form what is called the PIC. The State came in and, in essence, said the program is designed by the Federal Government to be given maximum amount of flexibility and creativeness to local PIC's. What we found to have occurred is, in fact, the State has overregulated and provided very little flexibility to the local PIC's.

Most of the policies that they present down to us are dictatorial and is given without any input from the PIC's, either comments or approval, and there have been instances where the State has in fact had to retract either their statements or their policies because of the fact that they were either inappropriate or ineffective when, in fact, if they were consulted with the PIC's, who are in the firing line, in fact, the policies could have been made appropriate on the onset.

The Federal regulations require Government coordination of special services plan. There has been no PIC input in terms of what that special services plan should be. In fact, I believe there has been an annual plan in 3 years. Our PIC has not seen a single copy of that plan. I assume there is one, but we have not seen it.

There seems to be a lack of coordination and communication coming from the State. A good example of what I am trying to communicate to you in terms of problems of communication and lack of accountability to the PIC's involved, for example, $400,000 set-aside for marketing programs to assist local JTPA programs in marketing the programs, informing of businesses in the community and potential clientele of programs, what it is all about and how it can serve them. Those funds, after they were appropriated, were rescinded by the States.

We called down, our office called down to IOOD, inquiring, and the response we got about where the money was, to quote, "here and there." Lack of accountability, Senator.

Our solution to this potential problem—well, not potential problem, real problem, is either an amendment or a mandate by the Department of Labor requiring the Governor and his staff to be accountable, not only to the Secretary of Labor, but also the PIC as a group as to policies, guidelines, regulations, and expenditures.

Under the area of funding, we mentioned the youth versus adult ratio of Purdue University. That is a problem. I think it would be more beneficial if the local PIC's had inputs in terms of State regulations, in terms of the expenditures.

In addition to that, the youth versus adult ratios should be based on the purpose served and not the percentage of expenditure. A very significant difference.

In relation to the 90-percent hold harmless rule you mentioned in relation to a problem in South Bend, we would like to see a hold harmless, a 100-percent rule passed through to local SDA's and not just at the State level. If it is not mandated or amended to accommodate that particular provision, the State, based on my dealings through the PIC, will not provide that opportunity to us.

Next, I gather in relation to funding, that 22 percent of the Federal funds the State gets, 8 percent is turned over to the State board of vocational education to expand vocational education programs. Only 75 percent of the population served within that program is economically disadvantaged. Twenty-five percent of the population served by these funds do not and should not qualify for those funds.

Senator, my time is up. I would like to thank you for the opportunity to testify. There is a lot of other things I would like to say, but that was my time.

[The prepared statement of Mr. Detzner follows:]

TESTIMONY BY ROGER F. DETZNER, PIC MEMBER, TECUMSEH AREA PARTNERSHIP, INC., LAFAYETTE, IN

Senator Dan Quayle and subcommittee members, I am Roger F. Detzner, co-owner of And-Detz Woodmasters, Inc. in Lafayette, Indiana. I have served on our local JTPA Private Industry Council (Tecumseh Area Partnership, Inc.) for the last two years in the capacity of chairman of the Monitoring Committee, and served on the PIC under the CETA program. I am honored to be asked by your office, Senator Quayle, to give testimony before this subcommittee.

I am pleased to report that the job training legislation is successful in our local service delivery area. I am sure that your hearings will exalt the attributes of the program. Consequently, I have chosen not to duplicate others testimony and I have confined most of my comments to problematic areas requiring corrective measures.

THE PROBLEM OF ACCOUNTABILITY

Throughout the last decade, Congress, the Public Sector, and particularly the Private Sector have recognized the need for accountability for the funds, programs, and outcomes of Federal and State legislation utilizing tax dollars. The JTPA has provided some accountability to the Department of Labor. However, a void in the legislation has left the State totally unaccountable to their tax payers and particularly the other half of what this Act calls a partnership, that is, the Private Industry Councils. The Governor and his staff have neglected its responsibility to the PIC in the area of "providing pre-service and in-service training" for the planning, management, and the delivery of the JTPA program as provided by the Act. Dictatorial memorandums and policies have been issued by the State without local PIC input, comments, or approval only to be retracted by the State a short time later due to its ineffectiveness or inappropriateness.

A typical example[1] is the State distributing three (3) youth employment competency system changes in two years. One of these changes was made after the SDA plans were submitted to the State, as they required for their approval. The State rejected the Plans, returned them for modification to include the latest States competency systems. These types of continuing occurrences result in a significant loss of precious administrative funds and Private Industry Council members volunteered time.

The most inexcusable act of unaccountability to the local PIC's involves the lack of PIC input concerning a "Governors Coordination and Special Services Plan" as required by the Federal Regulations. It is rumored that the Governor has written three such plans, but no copies have ever been sent to our local PIC.

In the area of funding, the Governor and his staff have taken a totally unaccountable attitude toward the local PIC's. A typical example of this is the most recent rescission of $400,000 by the State for a marketing program to assist the local PIC's in informing their respective SDA populations of the values and availability of the program, something that has been greatly needed. A telephone call to the Indiana Office of Occupational Development (the Governor's JTPA implementation staff) inquiring as to what happened to the money resulted in a response of "It went here and there." This type of "accountability" by the State is unacceptable to me as a Private Industry Council member and intolerable as a taxpayer.

The most reasonable solution to this problem is an amendment to the Job Training Partnership Act requiring the Governor and his staff to be accountable not only to the Secretary of Labor but also to the local PIC Chairs, as a group, for the State's policies, guidelines, regulations, and expendiutres. This will ensure the partnership concept which was so boldly presented in the Acts' inception.

FUNDING

In reading the Act and listening to the publicity heralding this program, which was to replace the ridiculed CETA program, an overwhelming impression that our tax dollars would finally be put to efficient use, was evident.

Being intensely involved in the monitoring of those funds within our local SDA, as chairman of the Monitoring Committee, I can confidently say that the Tecumseh Area Partnership, Inc. has proficiently utilized the taxpayers money within the standards and guidelines set by the State. However, a series of issues need to be addressed.

In setting the federal funding formula that require fixed expenditure percentages of youth versus adult ratios of economically disadvantaged based on the 1980 census, we have been left in an awkward position. The census, taken while Purdue University was in session, has given our SDA an over abundance of youth IIA and IIB money, and disproportionately low adult funding based on the standards. A resolution to this problem would be to establish standards based on economically disadvantaged and unemployed youth/adults. This formulation will correct the skewed data resulting from university students, who are not looking for work. In addition, funding could be better utilized if national/local quotas were based on percentage of participants served rather than percentage of expenditure. In our SDA, the current formulation results in an exhorbitant allocation of funds per youth served ($81.27/youth) compared to the eligible adult population ($35.91/adult). Current youth allocations are just under $2 million under Titles IIA and IIB while the eligible adult programs, which is the greater population of the two, is slightly over $1 million under Title IIA.

Another issue, which needs to be addressed, is the 90% Hold Harmless rule. State funding, as you know, is protected by the Federal Law. However, the local SDA's currently do not have this protection. This results in a jeoparization of local programs and a lack of assured continuity.

A simple solution to this problem, without additional cost to the taxpayer, is to amend the Job Training Partnership to include a 90% Hold Harmless provision pass through to the local SDA's within each State. To my best determination, 12 of the 17 SDA's within our State were set up with close to the minimum 200,000 population to qualify as an SDA (between 200,000 and 300,000). Without a 90% Hold Harmless provision for the local SDA's, a significant funding cut would result in insufficient administration funds to operate the program. Consequently our program might fold, and 8 counties would no longer be served by this program.

Another funding issue that I need to address involves the monies withheld by the State from the Federal allocations. Of the 22% of the Federal funds given to Indiana, 8% is turned over to the State Board of Vocational and Technical Education to expand Voc. Ed. programs within the educational system. Of those funds, only 75% of the population served need to be economically disadvantaged, which is the target group of JTPA. That means 25% of the population served by these funds do not (and should not) qualify for those funds. Additionally under the States guidelines, after the first year seed money is spent on these programs, the local SDA must pick up the cost of the program, with no additional funding provisions. Obviously, the local PIC's were not consulted by the State on this program.

6% of the State's 22% share of the Federal dollars was designed to be used as "incentives" for SDA achievements. Our SDA was one of the top three performance programs in the State during the initial program year and we have never seen any of those funds. One might assume that our State is failing miserably in achieving the goals of the "Act," or those funds are being used for purposes other than what they were defined.

As you know, 5% of the Federal funds are allowed to be spent by the State to administer the "States" program. In Indiana for FY84-85 that amounts to $2.3 million for a State that: has no "Plan" that I can see, who has a 100 plus administrative staff made up of political patronage personnel and ex-CETA staff, and who has poorly coordinated efforts; as a PIC member, it makes me happy that "we're not getting as much government as we're paying for". However, as a taxpayer, I feel that these funds should and could be spent more prudently and must be accounted for.

RECORD KEEPING/DATA COLLECTION, AND THE USE OF COMPUTERS

The record keeping requirements under the Act are extensive and consume a tremendous amount of our allotted administration dollars. I recognize the importance of accounting to and for the participants of the program and the taxpayer. However, much of our compilations required by the State are useless. Some of the statistical data seemed so worthless to our local SDA, that we called the Indiana Office of Occupational Development to inquire as to the reason for these administrative compilations. I was horrified to learn that many of these useless numbers were compiled "Just in case Senator Quayle called and wanted them."

Our governor and his staff has purchased a fine Sperry computer system to accommodate the needs of the Indiana Employment Security Division. Apparently it was determined, at the State level, that the system can be "modified" to also collect and store data for the JTPA SDA's. At an additional cost of $415,000+ the local SDA's received a useless software system that requires administration money to feed data to Indianapolis and then we must generate by hand the information that we need to run our SDA. In our case, the hand calculations require two full-time staff members.

Furthermore, the Employment Service computers, which could be invaluable to our SDA is not accessible to us unless we pay the State $20,000/year from our allocations.

STATE LEADERSHIP AND COMMUNICATION

Since the inception of JTPA, there has been an absence of State leadership in guiding the inexperienced PIC's in establishing a sound program. This might be attributed to a lack of foresight by the legislation. In an effort to fill this void in our State, the governor apparently filled a majority of his staff with ex-CETA employees and filled the balance with new inexperienced members. The turmoil that resulted left the State with a new head of the Indiana Office of Occupational Development (IOOD) whose most sparkling Job Training qualification is that Tom Krudy helped Bob Orr get re-elected. Some of the initial staff of IOOD became "consultants" or "monitors" for the State.

The confusion on the State level eliminated any effective communication. The first two Dislocated Worker Programs were designed without any local SDA knowledge or input (Ft. Wayne - Corning Glass and Evansville - Whirlpool Corp). Outwardly, on the State level, the Job Training Partnership Act is looking more like the CETA program. Unfortunately, inwardly it is appearing the same way.

PARTNERSHIP - PIC/LEO

On the subject of the partnership established by Federal Law between the Private Industry Councils and the Local Elected Officials, I am disheartoned to say that there truly is no partnership. On the State level we have a dictatorship with no one accountable; to the SDA's a dangerous situation at best.

On the local level, the Local Elected Officials in our eight counties do not participate, with the exception of Bernadette Fernan, a representative of the mayor of Lafayette. Our local PIC takes great pains to keep them informed, but we are unable to motivate them to participate. During the nine month transition period, there was a great participation by the LEO's. Once our Council released them from their financial liability, apparently they assumed they had no accountability.

In an effort to meet the State Coordination Criterial stipulating that there should be written agreements between the SDA and the other entitities which serve the same clientele, to eliminate the duplication of services and funds, we contacted, in writing, all of the appropriate Local Elected Officials to arrange an agreement between the Tecumseh Area Partnership, Inc. and the Township Trustees to insure a non-duplication of efforts between the Poor Relief program and our support payment allocations. Throughout the eight counties we serve, not one elected official responded. It is conceivable that the entire State may be in violation of the State Coordination Criteria in this regard. This does not speak well of what is supposed to be a partnership.

THE JTPA SYSTEM

Despite the flaws mentioned above, the JTPA system works. It works in the Tecumseh Area Partnership SDA because of the people involved - they care. It works, not because of the Federal legislation, in spite of the State's lack of leadership, or despite the LEO unresponsiveness - it works because it takes people to help people, people who care!

Thank you.

Addendum to the Testimony of Roger F. Detzner

I would like to expand on my statement (on page 5) concerning the cost and accessibility of the Job Service Matching System computer network. In this area, JTPA and the Employment Service have worked closely to coordinate activities and to seek improved services. Neither JTPA nor the Employment Service local office could afford increased computer hardware. Last week, Mr. Paul Wildridge (Lafayette E. S. Office Manager) presented the idea to the State and asked if anything could be done. The next day he was informed that the State would consider funding a pilot project in this area which would allow the Employment Service computer system to be installed in each county JTPA office. The potential for offering improved services is exciting. I applaud the State in this case for assisting both the Employment Service and JTPA programs to implement this innovative approach. In my opinion, this role of supporting local initiatives for better service is exactly appropriate for the State.

Senator QUAYLE. Your entire testimony we have made a part of the permanent committee record, and we will have that available to us.

Mr. DETZNER. Yes. I thank you. I would like you to read that.

Senator QUAYLE. OK, I certainly will.

Next is Mr. James Goar, PIC member, Clinton City Economic Development Division He is the principal broker with Goar Associates in Frankfort.

Mr. Goar.

Mr. GOAR. Thank you, Senator Quayle.

I only want to make about three rather broad points.

First is that JTPA is working. It is a great improvement over its predecessor, CETA, and should be continued. I only have to refer to JTPA as the "son of CETA" to get instant approval from my contemporaries in the private sector.

Second, local control is the key to success. Local control has been possible by administrative action at both the State and Federal level, but the thrust of local control is built into the act, and efforts should be made at all levels to ensure its continuance.

Third and last, performance standards should drive the program, just as the profit system drives the private sector. A private sector endeavor that does not delivery goods or services at a reasonable cost eventually will be replaced by one that will. So should it be with JTPA. Services should be delivered in a cost-effective manner. Present performance standards need constant and ongoing review, but the theory is sound.

[The prepared statement of Mr. Goar follows:]

Testimony By: James F. Goar
Secretary - Clinton County Economic Development Commission
Owner - Goar Associates Realtors

Hearings of the Employment and Productivity Subcommittee
U. S. Senate Labor and Human Resources Committee
Lafayette, Indiana
August 7, 1985

I accepted the nomination to become a member of the Tecumseh Area Partnership Private Industry Council because I wanted to take the opportunity to become actively involved in government and to ensure that the new program was considerably improved over its predecessor, CETA. I'm pleased to say that the experience has been both enlightening and satisfying. The Private Industry Council has diligently pursued local solutions to successfully meet the training and employment needs of the economically disadvantaged and unemployed in our area. The progress of JTPA programs in this area has been quite gratifying. All program performance standards have been met or exceeded during each of the first two program years.

If I could make only one recommendation concerning the future of JTPA, it would be that Congress and the State should do everything possible to preserve the maximum possible local flexibility and decision-making authority. The key factor in program success so far has been the ability of the Private Industry Council to effectively target our limited available resources toward innovative programs that train and place people who are in need of assistance. The Act properly recognizes the crucial role local planning and oversight play in JTPA success. Unfortunately, the broad guidance contained in the Act has been narrowed at every administrative level. I was somewhat frustrated after assimilating the vast quantities of rules, regulations, policies, instructions, and other requirements placed on the original Act at both the Federal and State levels. By the time the PIC began the planning process, a large number of issues had already been decided. Federally determined priorities were operationalized through funding appropriations, youth/adult expenditure requirements, and the various cost limitations. Minimum national performance standards were also established by the Department of Labor and later adopted by the State of Indiana for use in service delivery areas. The State then issued planning instructions and reporting requirements that defined the types of programs that were acceptable, requirements for coordinating JTPA activities with other agencies, and the population that should be served. Each of these determinations reduced the options available at the local level. The end result was that the PIC planning process was essentially limited to deciding which programs could be operated the would meet the performance standards. Our expertise and energy could certainly be used more productively if there was less guidance from Congress, the Department of Labor, and the State of Indiana.

In the time I have remaining, I would like to comment on the Service Delivery Area performance standards. Emphasis on performance is very familiar to me as the owner of a small business. Much like the profit system drives the actions of the private sector, performance standards propel the direction of JTPA. It is reasonable and, in fact, highly desirable for government programs to be held accountable for their results.

My concern is that the Average Wage At Placement performance standard does not reflect a reasonable entry-level wage for program trainees who are in the harder to serve categories. Last program year this area's average wage standard was $4.52-4.84 per hour. The actual area performance of $4.81 per hour was achieved despite very low hiring levels in the traditional high wage fields of manufacturing and construction.

The only significant contributing factor in the formula for calculating the average wage standard is the "Area Annual Average Wage." This factor includes all occupations, whether they have openings or not, and all levels of experience. Few jobs are available in an area like ours which is dominated by manufacturing, but is experiencing declining overall levels of employment. In addition, low turnover in the higher wage occupations further limits the number of available openings. The rise in employment in the service occupations has not yet decreased the average annual wage in the area. None of these developments affect the Area Annual Wage that forms the basis for the performance standard.

This Service Delivery Area does not train people for jobs that do not exist. Therefore, we face a real dilemma. There appear to be two administrative solutions. The first would be for the Department of Labor to revise downward the national average wage at placement goals. This would be the best solution if the situation we are facing is relatively universal. If our situation is more unusual, or the problem affects mainly the industrial states, then the preferred solution would be for the Governor to exercise the option of adjusting the SDA average wage standard. Unfortunately, no procedures have been developed in Indiana for the Governor to use this option and no PIC-initiated waiver process has been established. The answer to this situation ties back to my earlier recommendation that the local Service Delivery Areas need to have maximum flexibility to make decisions that effectively meet our local needs. You can be assured that successful programs will be the outcome of our efforts.

Senator QUAYLE. Thank you verv much.

Next is the final witness in the Tecumseh area, Paul Wildridge. He is office manager in the Indiana Employment Security Division.

Mr. Wildridge.

Mr. WILDRIDGE. Thank you, Senator Quayle.

In my 17 years with the Indiana Employment Security Division, I have seen the Manpower Development and Training Act as well as the Comprehensive Employment and Training Act come and go. Now, the Job Training Partnership Act has taken center stage and is attempting to improve upon the performance of its predecessors. Thus far, from what I have seen, I can point out some areas where I have seen the Job Partnership Training Act provide definite improvement over those previous acts.

First of all, not granting automatic subsistence stipends to the participants has resulted in a more serious attitude on the part of those involved in the program. This has in turn resulted in a higher percentage of the participants completing their training program.

Second, the performance standards required of the service providers has given the program direction and has contributed to more positive results. Although these standards may force some agencies to cream, the tangible results are important enough to merit consideration.

Finally, the elements of the act that require participation of the private sector in determining the administration of the program are very effective. After all, the bulk of the people trained will be seeking jobs in the private sector.

Another aspect of the act that should be discussed is the requirement to coordinate available service in order to avoid duplication. Obviously, in these times of shrinking resources, the utilization of already existing services could only be considered good business philosophy. In this SDA, the results reveal a truly coordinated approach that has helped not only the participants, but has resulted in a more coordinated approach to other problems that the various agencies have in common. One area that this approach has shown itself in is the area of economic development. Realizing that private sector jobs are the foundation to a healthy local economy and the success of any employment and training programs, all the agencies involved are beginning to see the value of the packaged approach to new or expanding industry.

As another example of some of the efforts being made to coordinate resources, the Employment Service in this SDA has formed a task force with the local Job Training Partnership Act operation. This task force has as its main function the exploration of the opportunities, both programs have to coordinate the delivery of services. One of the central elements of the group's recommendations is the routine outstationing of Employment Service personnel in the various Job Training Partnership Act offices located throughout the SDA. Such an arrangement will make joint operations an ongoing event and should generate procedures and ideas as a matter of course

This task force will continue to meet on a regular basis to assure that resources are being utilized to the maximum.

At this point in time, I feel the potential of Job Training Partnership Act is beginning to reveal itself. The emphasis on private sector involvement, along with a coordinated approach from the public sector, is mandatory if this Nation is to continue to be at the forefront of the world economy.

Thank you for the opportunity to present these observations regarding the Job Training Partnership Act. I will be happy to entertain any questions you may have at this time.

Senator QUAYLE. Thank you very much.

Now we will go over to the Western Private Industry Council and we will hear from Fred Lanahan, who is the manager of the Terre Haute local office of the Indiana Employment Security Division.

Mr. Lanahan.

Mr. LANAHAN. Thank you, Senator. I would like to give a few remarks here. I have already sent in my testimony.

I have worked with the JTPA service area in southeast Indiana and here in the western area of the State. Prior to that, I worked with CETA agencies in Fort Wayne, Huntington, your hometown, and Lawrenceburg before JTPA went into effect.

From my point of view, JTPA is an enormous improvement. I think it is working and I think it is working well. I would like to comment briefly as to my opinion as to the strengths and weaknesses of the Job Training Partnership Act as I see them.

I feel that first and foremost, the local involvement in JTPA gives it its key, the key to its strength. I find that many of the same people who oftentimes came to the Employment Service bitterly critical of job training efforts, particularly under CETA, are now very much local supporters of the JTPA today, and I think that speaks for itself very much so. I think the local input and guidance, which is now being used, helps to tailor training activities to localized geographic areas and it is much the improvement over the top down approach which was previous to this. Local controls, local input for localized needs has shown itself to be the only way to fly. I think this is much more reflective of job training under JTPA than it has been in the past, and again we get feedback. Businesses come to us for direct placements, they come to us for referrals, sometimes to the PIC entities and service delivery entities, and the feedback is very, very positive.

Another aspect that has developed under JTPA in Indiana, I think, is cooperation between the Indiana Employment Security Division and the Indiana Office of Occupational Development, which is the State's umbrella for the service delivery areas in the State and, of course, I am sure, as you know only too well, and it is becoming more and more clear for us on the lower rung, the connection between the Employment Service and job training is a vital one. And we in Indiana are making a true partnership in that direction. And we feel that it is the only way to fly.

Finally, I feel I should comment on the strength of the administration of JTPA in this area. Generally, from what I have seen the strength of the administration has been very good quality, particularly here in western Indiana. The Western Indiana Private Industry Council, based in Terre Haute, I think, is an excellent example and appears to rate special praise for its quality administration and its efforts to provide classroom training because in other areas of the State I think it has been mentioned before, the numbers game has been played with bodies and not necessarily with service. And service sometimes simply requires more work. So it is easy to play the numbers game.

Overall, I feel JTPA is an excellent piece of legislation, and I think it is helping those of us in forming the training to get the job done, and I think it is to be praised, and the acceptance seems to be steadily increasing in the private sector which is important in the final way it will be judged, which will be positive.

Thank you.

[The prepared statement of Mr. Lanaham follows:]

TESTIMONY BY FREDERICK A. LANAHAN, MANAGER, INDIANA EMPLOYMENT SECURITY DIVISION, TERRE HAUTE, IN

Senator Quayle and Committee Members

Thank you for the opportunity to give testimony on the status of the Job Training Partnership Act in Indiana. As manager of the Terre Haute Local Office of the Indiana Employment Security Division I have had experience with the Job Training Partnership Act in the Southeastern Indiana Service Delivery Area and in the Western Indiana Service Delivery Area. Furthermore, for purposes of comparison I have the advantage of having dealt with CETA organizations in Fort Wayne, Huntington and Lawrenceburg, Indiana prior to the creation of the Job Training Partnership Act. Last month I was appointed to the board of the Western Indiana Private Industry Council as the representative from the Indiana Employment Security Division.

In a word, sir, I feel that the Job Training Partnership Act is working. It is an enormous improvement over its predecessor, the Comprehensive Employment and Training Act.

Briefly, sir, I would like to offer my opinions on the strengths and the weaknesses of the Job Training Partnership Act as I have seen them.

The strengths of the Job Training Partnership Act emanate from the localized control and the involvement of representatives of firms in the private sector of our economy. Local control and heavy input from business and commerce provide the life blood for JTPA. Many of the voices which had been so critical of the old Comprehensive Employment and Training Act (CETA) now speak in favor of JTPA, because they are in fact part of the Job Training Partnership Act through the Private Industry Councils.

With local input and guidance it is now possible to tailor employment and training activities to relatively small geographic areas, and in the case of employment and training, limiting the geographic boundaries of areas served is truly a rather sensible economy of scale. Top down employment and training programs are quite often wide of the mark, unlike the Job Training Partnership Act.

I have seen increasing evidence that the concept of partnership is really working. Business and government are often working as partners rather than as adversaries through their contact on the Private Industry Councils. Business seems to be much more receptive to participating in employee training through the Job Training Partnership Act and of course in Indiana partnership has also come to mean a partnership of state agencies in the fields of employment and training.

Cooperation between the Indiana Employment Security Division and the Indiana Office of Occupational Development, has been spawned by the realities of the Job Training Partnership Act. And what more natural partnership could there be than between the Employment Security Division with its 100,000 annual job placements record and the J.T.P.A. service providers operating under the Office of Occupational Development which provide on-the-job training, classroom training and job readiness training for eligible job seekers. The clients served by the Job Training Partnership Act and the tax payers of our country truly will be the winners from such partnerships.

Finally, I feel that I should comment on the strength of administration of JTPA. Generally, from what I have seen the administration of JTPA services has been of good quality. The Western Indiana Private Industry Council, based in Terre Haute and serving the counties of Vigo, Clay, Putnam, Parke and Vermillion, appears to rate special praise for its quality of administration and for its efforts to provide classroom training.

There are several weaknesses under the Job Training Partnership Act. It seems to encourage a certain degree of applicant creaming to reach goals mandated for service. Further, service delivery entities sometimes tend to play numbers/production games by placing almost total reliance in on-the-job training at the expense of even limited programs for classroom training.

However, overall the Job Training Partnership Act is a good piece of legislation. It is helping those of us in the employment and training network to get the job done — to help the people and the employers who need that help. And perhaps its greatest compliments are that the acceptance of this program and the accomplishments made through JTPA seem to be steadily increasing.

Thank you.

Senator QUAYLE. Thank you, Mr. Lanahan.

Next is George McCullough, who is a PIC member, labor representative to the United Way of Terre Haute.

Mr. McCullough, welcome.

Mr. McCULLOUGH. Actually I am the community services labor representative and community services staff to the Central Labor Council, as well as a fundraiser and staff to the local United Way of the Wabash Valley. A hard core redneck Democrat from River City, U.S.A.

I appreciate the opportunity to come and testify on legislation that I feel is primarily designed to benefit the private sector. However, at least some of the Reaganomics trickle-down is reaching our people through this type of legislation.

Senator QUAYLE. It is helping out those River City redneck Democrats, right?

Mr. McCULLOUGH. Right. EVEN "Some of us.'

Senator QUAYLE. Even some of you. All right.

Mr. McCULLOUGH. I have my a unique position in the community where I deal with $25 an hour unemployed plumbers and steamfitters, through to $10 an hour factory workers, from chronically unemployed people to third generation welfare recipients. Sometimes I even see some business and professional people come into my office for information, referral services and counseling, so I get to see a full cross section of the local community. I also see services provided to everyone of those groups through the JTPA legislation. I am not going to read to you from my written testimony because it addresses five specific categories in which I think the legislation can be improved, and you can read through those later.

One of the things that I want to talk to you about is something that has already been mentioned here today, but maybe not in this context, which is the hidden bureaucratic controls that exist at the State level.

It was a couple of years back when our Private Industry Council made a grant application through the State for a DOL title III dislocated workers project, and we were given full assurance by State staff people that we had met all the requirements. Funding was available at the Federal level, and we submitted our grant to the State. All of a sudden, we found out that someone at the State level decided, it was probably politically disadvantageous to submit our grant to the Federal Government, so obviously we did not get our grant, we did not even get our grant reviewed at the Federal level. I assume some or part of that money went to some other program in Indiana.

Last year, we submitted a revised grant, for dislocated workers, and apparently the same thing happened. We did not get a Federal review of the grant. So, of course, old hard-headed George at the last PIC meeting, I brought the dislocate worker grant up again, pointing out that if we were going to be looking at new local programs, perhaps we should consider resubmitting that grant application for title III funds or absorb the program. I was told that the Planning Committee of our PIC had already taken a look at that option and had discovered that all of those people that we would have covered through a dislocated worker grant who were not currently employed, now are fully qualified under the regular PIC program and we can serve them through it.

Now, that is great that they are going to get some services. I was a little bit disappointed that it came a couple of years late. Not that the JTPA would not have addressed the local need through title III, but the fact that our grant did not get a hearing. I think that somewhat demonstrates hidden controls at the State level, and I am sure it is not in Indiana. That was one of the things that I wanted to emphasize, plus the fact that I think there should probably be a little bit better allowance in the funding for the local PIC's to better market the program.

Eventually, the program is going to market itself through performance, but I think that we need a little bit bigger push now that we have got some experience, or at any rate, something more to brag about. I think that we need a little bit bigger push in advertising our program, especially in our PIC. I am pretty much satisfied that we have been meeting at least some of the needs at the local SDA where the current legislation allows us to do that.

Thank you.

[The prepared statement of Mr. McCullough follows:]

George McCullough
AFL-CIO-CSA
Labor Liaison

Labor's Community Services Liaison Program

Information provided to and for

Senator Dan Quayle
Chairman, Senate Subcommittee
"Employment and Productivity"
Human Resources Committee
U.S. Senate

Testimony presented to the "Congressional Oversight on the JTPA" Hearings Lafayette, Indiana, August 7, 1985.

Senator Quayle, committee members, and staff:

As simply as I can, may I provide for your information statements on five (5) areas in which I believe improvements can be made in the Job Training and Partnership Act legislation. I believe that future legislation should include provisions that:

1. create a contingency fund at the state level which could be drawn upon for the funding of innovative local programs to address an SDA's employment and training needs that would be within the spirit of the J.T.P.A. which may not be specifically addressed in the Act.

2. place more emphasis on programs that are preventative in nature, programs and services aimed at reducing the loss of skilled workers within an SDA. This would be in the nature of extending public education opportunities for youth and offering educational training for identified professional opportunities in local communities through specially designed educational curricula to meet that professional need and targeted to train the disadvantaged and minorities.

3. provide for realistic participatory efforts between SDAs, their Private Industry Councils and other local federally funded Economic Development programs and projects that would mandate sharing project planning and the exchange of employment opportunity related information. This would help facilitate utilization of J.T.P.A. eligible participants to fill those newly created jobs and maximize the impact of federal funds spent at the local level.

4. reinstate Public Sector Employment at some realistic level which will effectively aid local government to meet service needs that will inevitably occur with the proposed cancellation of the federal revenue sharing program. Allowances should be made to insure that every level of local government will benefit.

5. establish an Emergency Retraining Fund at the state level pro rated on the state's level of real unemployment, used specifically to address retraining needs of workers victimized by plant closings, facility and product obsolescence. This could also address job loss due to the foreign trade deficit and similar problems. A prime

6. target, however, would be to meet needs created by unanticipated job loss and those subsequent dislocated workers who are in a situation of immediate need.

George E McCullough
George McCullough

Senator QUAYLE. Thank you, Mr. McCullough.

I presume that you are involved somewhat, or at least in an advisory capacity, with the CETA Program, or not?

Mr McCULLOUGH. Well, I was involved all the way back through to the Manpower Act.

Senator QUAYLE. You go back to the early sixties?

Mr. McCULLOUGH. I was on the local CETA Board, the local CETA PIC, was in on the initial organizational committee of our PIC which formed a seven county coalition seeking designation as an SDA rather than through the balance of State program.

Senator QUAYLE. We always like to learn from the past.

Could you tell us what one major positive development of JTPA as compared to CETA? What makes this program work where CETA had all sorts of problems, perception problems and reality problems?

Mr. McCULLOUGH. There are several. Under some of the old CETA programs, there were a lot of make work projects, especially in the public sector where people were put in the park picking up paper. In my five point written testimony, I suggested that we go back to some of that as a possible replacement for loss of Federal revenue sharing to city and public sector services.

It is my opinion that someone in the city clerk's office can train a typist as well as some one in a local business. If you are going to train somebody to answer telephones, to be an office clerk, that kind of training can take place within a local governmental as well as in a private sector job. There is no reason why we should not allow that to happen. This was wasted under CETA. And I think that has been one of the big improvements.

Another is that some of the jobs that people were trained for under CETA were not really job opportunities, they were professions or vocations, but they were not job opportunities. They were not skills that addressed the specific needs of the local community. And I think that is where JTPA made a difference, because skills training is locally designed. If I were to sum up what I would like to say in one sentence or less, I would say; Send us a lot of money with very little restrictions from the Federal and State regulatory statutes allowing the flexibility to design new innovative programs to address local priorities and job opportunities. That pretty well sums up what I think would be beneficial and should improve the current JTPA legislation.

Senator QUAYLE. I can tell you one of the key designs of JTPA was the flexibility theme. We tried to devise a system that would be decentralized and give as much power and authority to the local representatives. We feel that they could be far more creative in that particular area than having some GS-15 from the Department of Labor that says he will train to do this and this, and so far we have had fairly good response.

The one thing I am hearing today, and I would like to ask Mr. Wildridge and Mr. Lanahan is that the lack of coordination and the communication with the State agencies, this panel, previous panel, not necessarily you in particular, but do you hear this when you are out and about that there is this lack of communication, lack of coordination? Do you think that criticism is justified, or can we improve upon it? And if so, how might we go about it?

Mr Wildridge, do you want to tackle that one first?

Mr. WILDRIDGE. I will try.

I think probably in some areas there could be a lack of communication. I think in our particular SDA, I think the administrator for JTPA in this particular SDA and myself have made it a point to enhance communication, to enhance innovative ideas, but I think there are also possibilities that in some other areas of the State, maybe in the Nation, that there could be a lack of communication and that, sometimes, as a result of management maybe not doing their part, and there could be some bottlenecks at State level too.

Senator QUAYLE. Mr. Lanahan, do you want to add to that?

Mr. LANAHAN. Yes, Senator Quayle.

I think there probably have been problems. There have been problems around the State and across the country. Communication is the big problem, differences is probably something else. But when you look at something like JTPA and the State of Indiana, and I am sure other States, when they are looking at closer working partnership with the State agencies and employee training networks as a whole, you are melding groups that were formerly separate and had a clear identity of what they did. And you take individuals, individual personalities, and some people can accept that change and some cannot. I think more and more it is being accepted in Indiana, but, sure, there has been resistance, but I feel that everyone now realizes that it is in the best interests of the public, of the employers and of the people in government agencies themselves to work together through this program, and I think that this cooperation is increasing more and more.

A lot of it hung back to the CETA Program, too, where there was quite a bit of head knocking, if you will, or differences.

Senator QUAYLE. Mr. Goar, you talked about the performance standards.

Would you subscribe to the statements made by the previous panel that we need a little bit more clarification from the Federal level exactly what to expect and anticipate?

Mr. GOAR. Yes, I will subscribe to that. My only point to make was that performing standards should drive the program, and if they have to be adjusted, well, then we have to adjust to that. I am not quite qualified to submit what—exactly what technical adjustments there should be.

Senator QUAYLE. That was one of the problems we ran into with the CETA Program. There was just basically a lack of performance standards.

As a matter of fact, if you go back and you will look at a numerical basis, an average of 16 to 17 percent of the people have actually been placed in jobs. This is the nonpublic service jobs, whereas here, we are placing, with the adults, 80 percent; youth, close to 70 percent, and I think that is a marked difference than we had with CETA. And I agree that the performance standards have to be deemphasized. But I also am hearing today that we need to clarify.

Mr. Detzner, is there any communication with the State Job Training Partnership Coordinating Council?

Mr. DETZNER. I am not sure what you mean by any communication.

Senator QUAYLE. Good communication. They are set up there to try to be somewhat of a receiving valve for complaints.

Mr. DETZNER. What I see happening, Senator, is the communication is generally one way from the State down to us. That was not the intent of the act, as I read the act, and as I hear you tell me the intent of the act. There seems to be a deaf ear quite often, or no ear available to have them talk to in terms of getting input from the firing lines up to the State

And when that happens, what you have with the CETA Program as it was when it was the CETA Program. I think the whole intent of the act is to get the Private Industry Council and the local people to know what is happening in the local communities, giving input to make the program effective in this area.

And when you have no input in terms of policy, guidelines and regulations, and the use of the funds that are coming through, except where the State decides to give it out to you, you do not have communication also.

Senator QUAYLE. Well, I can just assure you that the intent of the act was to have the input from the bottom up. As a matter of fact, that is one of the reasons I am here today, to find out firsthand how the program is going and get valid input, constructive input.

Mr. DETZNER. I would like to see that happen.

Senator QUAYLE. To get some accolades, criticism.

Mr. McCullough, did you want to touch on that?

Mr. MCCULLOUGH. There may be a variation on the performance standards nobody really addressed, so I will comment about it because I do not know if anybody else is going to.

One of the things that was an initial concern starting up, the local SOA's programs—at least it was the labor concern—was something that, for lack of a better term, is called "creaming."

Senator QUAYLE. Yes.

Mr. MCCULLOUGH. Creaming was a way to meet performance standards, and those basically were being met through OJT's, et cetera. In another program under youth employment, employers can be reimbursed up to 80 percent of the cost of the wages of that particular individual, this also promotes creaming.

Now, if those are the kind of performance standards we are talking about, if we are going to do that just to show positive terminations, then I think were wrong. It is not hard to sell 80 percent reduction in wage of the employee or half of the wage of the employee on an OJT.

What is hard to sell is the fact that we have a disadvantaged individual who needs to train for a job. Are you as an employer willing to help us do that? When we look at it from that standpoint and put in place performance standards based on that fact, then we can get some meaningful performance standards instituted in the program and not just play numbers games again.

Senator QUAYLE. I am aware of the creaming issue and very sensitive to it. The only thing I can say is that all the people that are trained under title II are economically disadvantaged.

The criticism comes in saying you are taking the upper level of the economic disadvantaged and it comes down to how are you going to get down on the allocation of the limited amount of resources that are available? Therein lies, I think, our real challenge, to get as much and even more of that private sector involvement that can help us out because then we can get beyond the top part of the economically disadvantaged down to all of the economically disadvantaged, but we are serving the economically disadvantaged. And it is just a matter of degree on the disadvantaged within the program and who receives the training and who does not.

OK. I thank the panel very much for your valuable criticism.

The next panel we have of JTPA administrators and representatives of targeted populations, Tom Ahlers, Joan Cline, Jay [Ernie] Jax, Kathy Lyons, Gary Bland, Pat Dougherty, Richard Snyder.

OK. First from the Tecumseh Area Partnership, Grant Administrator Tom Ahlers, who is the administrator under the Tecumseh Service Delivery Area here in Lafayette.

Mr. Ahlers.

STATEMENTS OF TOM AHLERS, GRANT ADMINISTRATOR, TECUMSEH SERVICE DELIVERY AREA, LAFAYETTE, IN; JOAN CLINE, EXECUTIVE DIRECTOR, COMMUNITY ACTION PROGRAM, INC., COVINGTON, IN; JAY (ERNIE) JAX, PIC MEMBER, AREA LEADER, INDIANA GREEN THUMB, WEST LAFAYETTE, IN; KATHY LYONS, PIC MEMBER, LEAD COUNSELOR, INDIANA VOCATIONAL REHABILITATION DIVISION, LAFAYETTE, IN; GARY BLAND, PIC MEMBER, EXECUTIVE DIRECTOR, CHILD-ADULT RESOURCE SERVICES, INC., ROCKVILLE, IN; PAT DOUGHERTY, EXECUTIVE DIRECTOR, WESTERN INDIANA SERVICE DELIVERY AREA, TERRE HAUTE, IN; AND RICHARD SNYDER, FORMER PIC MEMBER, DIRECTOR, VETERANS EMPLOYMENT COUNCIL, TERRE HAUTE, IN

Mr. Ahlers. Thank you, Senator, for the opportunity to testify at these hearings.

A couple of issues I would like to touch upon. First, obviously, is the expansion of some previous testimony on the youth expenditure level requirements under JTPA. The formula based allocation for youth expenditure levels under title II(a) between adults and youth is based on the numbers of economically disadvantaged. The area relationship of economically disadvantaged youth to adults is approximately 26 percent youth, and the remainder adults 22 years of age and over.

There are two problems with this formula that I see. First, the formula is expenditure based and not participant service based. Our service delivery area has had the local requirement adjusted up by the Governor to 45 percent from the Federal level of 40 percent because we have 8,000 economically disadvantaged youth and 22,000 economically disadvantaged adults in our area.

As I said, youth constitute only 26 percent of the totally economically disadvantaged population within our area. Yet, our requirement is to spend 45 percent of the funds. Let me go into a little bit more detail about that of what that actually means in terms of program services.

The performance standards in the cost areas dictate that youth will be less expensive to serve than adults, and we have more funds to spend on youth. Youth are less expensive to serve according to the performance standards. The result of this youth expenditure requirement and the different cost standards means that approximately 57 percent of all people that we serve under title II(a) should be youth. The 45-percent expenditure requirement brings about a 57-percent youth service level. This is a problem in our service delivery area, and I think it is something that should be looked at by JTPA throughout the Nation.

Another problem the expenditure base brings up is that it requires us to account for funds separately under the II(a) adult and II(a) youth programs. That means that we have to treat those funding sources, not as one grant, but as two grants because we have to prove expenditure of the appropriate amount of youth dollars. It is much easier to track the service totals at a distance than to track expenditures.

One thing that I have pushed for throughout this State is anything we can do to eliminate the administrative burden on the service delivery areas. Changing from expenditure based to youth-served based is one area that would help us in two ways.

The other problem, or the other issue that I have with youth expenditure level relates only to this service delivery area, or with three delivery service areas in the State, I should say. Within the total of the 8,000 economically disadvantaged youth that are estimated to exist in this area, over 6,000 of those people are not unemployed. In other words, they are either employed or they are out of the labor force students. Obviously, with the number of 8,000 for this service delivery area, some Purdue students have been factored out of the formula, but it has not been totally successful.

In my view, the youth service allocation, or the youth service requirement should be based on the number of economically disadvantaged people who are also unemployed, not on one or the other. Those statistics would significantly lower the requirements for youth in our area and I think would more accurately reflect the actual need of the eligible population.

I would also like to say that there are three service delivery areas in the State, the Tecumseh Area Partnership is one, that have had their youth expenditure requirements increased up to the 45-percent maximum that the Governor has set. By no coincidence, these service delivery areas include West Lafayette with Purdue University, Bloomington with Indiana University, and Muncie with Ball State. So that is why I say although the system has attempted to factor out to some of the nonunemployed youth, it has not done an adequate job of doing that.

[The prepared statement of Mr. Ahlers follows:]

Testimony By: Thomas W. Ahlers
PIC Grant Administrator

Hearings of the Employment and Productivity Subcommittee
U. S. Senate Labor and Human Resources Committee
Lafayette, Indiana
August 7, 1985

Thank you for the invitation to present this testimony to your committee. As a program administrator, I have several observations and suggested improvements I would like to make.

PROGRAM PERFORMANCE

JTPA programs are working well in the Tecumseh Area Partnership and in Indiana as a whole. This SDA has met or exceeded all seven performance standards in both program years. Twelve of the seventeen Indiana areas will probably meet all seven standards for program year 1984. The average actual performance for all SDAs in Indiana improved on six of the standards during the second year (AWAP declined $.13/hr). On a potentially ominous note, while actual program performance improved during program year 1984, changes in the formula for calculating performance standards caused most standards to be tightened. Both trends do not necessarily combine to reflect the best for the future of JTPA. Since the current performance standard system is based on prior actual performance, standards tend to rise as programs improve. This is no problem for a year or two. However, if higher standards encourage better performance which in turn feeds back to set higher standards and so on, we are all doomed to fail. In this Service Deliver Area, both the PIC and LEOs made a firm committment that performance standards would be met from the day JTPA programs became operational. This goal has been met - for now.

PROGRAM PLANNING

True forward funding is necessary to allow the PIC time to adequately plan JTPA programs. Budget levels are a critical component of the planning process. In both program years, the SDAs have received an additional allocation of Title IIB funds for Summer Youth Programs well after the original programs had been planned. Summer Program planning takes place at the local level during January - March. By April 1, program staff must be actively recruiting participants and have nearly completed developing worksites. By May 1, the application/eligibility review process has to be almost finished so that pre-employment activities can be operated prior to the first day the participant reports for work. In this area staff must be generalists who are able to change duties as the process moves along. Additional Summer funds that are received after March 1 are difficult to effectively use. In addition, the PIC also shifts its focus after the initial Summer Program plan is completed. The policy and planning committees then gear up for developing the SDA Job Training Plan. PIC members are actively involved in writing this voluminous document and have difficulty adding extra meetings necessary to plan for supplemental Summer Program Funds. The available planning options are less than satisfactory:

1. PIC members could volunteer even more of their time to be actively involved in a record Summer Planning process, or
2. Staff could do all the planning.

In either case there is increased risk that the hastily planned additional programs may not be effectively implemented due to staffing limitations. The best solution is obviously for Congress to approriate funds at one level and neither add nor subtract from that figure. Better local programs would be the result.

YOUTH SERVICE LEVELS

Emphasis on youth services in JTPA begins with appropriations and funding formulas. Congress has made a clear statement that JTPA is foremost a program to serve youth. Two major issues deserve comment concerning youth service levels.

First, this SDA has an estimated eligible youth population of 8,048 and an estimated eligible adult population of 22,259. Twenty-six percent of the economically disadvantaged in our area are youth. The State has, therefore, adjusted our SDA youth service level upward to 45% from the national level of 40%. This means that the SDA is required to spend at least 45% of the total available Title IIA adult and youth funds on youth. Since the youth requirement is expenditure based and performance standards decree that youth should be less expensive to serve than the average adult, the actual number of youth that must be served is significantly higher than the 45% SDA requirement. In fact, using State average cost performance standards (4,236/youth Pos. Term and 6,997/adult ent. emp.) in combination with the 45% expenditure minimum results in planned service levels of 57% youth and 43% adults. It appears that the emphasis on youth service may be more accurately termed an over-emphasis on youth. We are required to spend 45% of Title IIA funds on 26% of the eligible population and our actual service levels would be closer to 57% of the eligible people.

The second issue I will address concerns the data base used to determine youth expenditure levels. The system now used does an incomplete job of factoring out the large Purdue student population that is present in this area.

Some students were obviously deleted from the formula since the Employment Service estimates only 8,048 economically disadvantaged youth. However, the number of unemployed youth cited is less than 20% of this total. This smaller group is the one JTPA should designate for priority services. Unfortunately, the 45% youth requirements does not allow the PIC to make that decision. Instead, planning is concentrated on devising ways to serve non-Purdue Students in large enough numbers to meet the expenditure minimum. I would suggest that the youth expenditure levels be determined based not on the current ratio of economically disadvantaged youth to adults, rather the expenditure levels should be based instead on the ratio of unemployed and economically disadvantaged youth to adults. This would eliminate the bias of the current system by disregarding those students who are not in the labor force.

APPROPRIATE SERVICES TO TARGET POPULATIONS

The decision about which segments of the eligible population will receive priority for services is currently specifically defined as an SDA level decision. This is exactly the way it should be. The job training plan specifies who will be served and why. The plan is made available for public review and comment prior to becoming effective. The process works well. The local PIC and LEOs can recognize the needs of the area better than anyone in Indianapolis or Washington. Local planners are accountable to the local population for decisions regarding program priorities.

During your hearings, you will probably hear many comments about who JTPA programs are not serving. Various public interest groups representing specific segments of the population will undoubtably recommend Congress set aside "appropriate" sums for their population. I would suggest that, since funds are obviously limited, you look instead at who is being trained under JTPA. I suggest that, at least in this area, appropriate populations are being both trained and employed by effective local programs. During the last year, we trained higher percentages of Welfare Recipients, handicapped, single heads of household, and other groups than their incidence in the eligible population. Actual service levels exceeded those contained in the job training plan that was developed through the local planning and comment process. The fact that funding levels only allow service to less than 5% of the eligible population means that no matter who is served, over 95% can not be enrolled in JTPA training. Criticism is therefore inevitable. My recommendation is to leave the planning process alone. The locally based planning and service system works well and indeed is the key to local program success.

LOCAL COORDINATION/COOPERATION

I would like to take this opportunity to say that another of the reasons JTPA got off to a quick start and has continued to perform well has been the cooperative relationships that exist between area agencies and local service providers. These relationships were established long before it became fashionable to develop interagency cooperative agreements under JTPA. Under the guidance of Dr. Thomas Reckerd (Dean of Indiana Vocational Technical College - Region IV) area vocational directors, other vocational education representatives, and employment and training administrators have regularly met during the past 4 - 5 years. These relationships have proven to be very valuable in developing a coordinated approach to service available under JTPA.

The Indiana Employment Security Division has also been a great asset by providing Wagner-Peyser services and TJTC certifications for JTPA participants. Several additional cooperative ventures are being planned to further coordinate JTPA and Wagner-Peyser services to area residents. Continued adequate funding of Wagner-Peyser is a necessity to the continued success of our local programs.

The common goal of all these agencies in this area is to provide the best quality and most cost effective solutions that will meet identified needs. All of us have less available resources than we would like, but the impact of local resources can be enhanced through coordinated services.

ADMINISTRATIVE CONCERNS

I will address four issues relative to administering JTPA programs: performance standards, the block grant myth, problems with 6% incentive funds, and the need for a workable administrative cost pool.

First, I question whether the current seven performance standards that are used by the Department of Labor to evaluate program success are really appropriate measure the goals specifically addressed in the Act. No information on wage gain or reduced welfare dependency is being gathered. As anyone in this State will tell you, I am normally at the front of any movement to reduce the administrative burden on local programs. However, the fact that these basic goals are not in any way related to the current program measurement system does bother me. I realize that DOL has been thwarted by the Office of Management and Budget in all efforts to measure the two JTPA goals, but I think there is a definite need to establish this area as a priority for action. In addition to allowing improved program accountability for meeting real JTPA goals the other performance standards would serve to better define what JTPA is all about. An image problem is created, especially at the State level when JTPA is evaluated as if it were strictly a placement program. The adage that you can't tell the players without a scorecard seems particularly appropriate in Indiana.

The second administrative concern I feel needs addressing is the block grant myth. One of the assumptions made when JTPA was developed was that the program would be easier to administer if CETA-style categorical programs were lumped into "block" grants under JTPA. Administrative funding limitations were reduced from 20% to 15% to reflect these changes. I am sorry to report that JTPA has evolved into an administrative nightmare. We now have to track expenditures under one Title IIA SDA grant as if we had seven separate grants with three cost categories each. Additional JTPA grants for Title IIB, Title III - State funds, and Title III - Formula funds bring the total funding sources to ten. This is well in excess of anything ever present in the "categorical" program CETA. Two relatively easy solutions could cut the number of funding sources to a relatively manageable six. First, if the youth expenditure requirement was instead changed to a youth enrollment (service level) requirement, SDAs would be able to account for Title IIA youth and adult expenditures as one funding source. The enrollment requiement would maintain the Congressional intent to serve mostly youth, but a significant administrative streamlining could be gained. An even more significant decrease in administrative burden could be achieved by removing the categorical restrictions on expenditure of Title IIA - 6% funds. Although I will address the larger issue concerning 6% funds later in the testimony, I do feel that current State interpretations of JTPA requirements to mean that 6% funds must be tracked as if they came from sources are not reasonable. The Indiana Office of Occupational Development has indicated that 6% - Technical Assistance, 6% Performance Incentives, and 6% Incentives for serving the hard to serve must be accounted for separately according to the Act. In addition, any 6% Performance Incentive funds an SDA is awarded would be subject to the youth expenditure requirement and to the other Title IIA performance standards. This means that the artificial accounting categories of 6% Performance Incentive (Adults) and 6% - Performance Incentive (Youth) must be created to track the youth/adult expenditure ratio. There must be a solution that could allow SDAs to treat all Title IIA - 6% funds as one funding source and not four.

While addressing the subject of 6% funds, I would like to present the following basic observation - 6% funds serve as no incentives whatsoever to drive SDAs to perform. Rather, locally born expectations of the PICs and LEOs drive SDAs to excell. I know of no Indiana Area Director who considers the 6% incentives anything other than an incidental reward for a job well done. A couple of significant problems further limit the value of 6% incentives to an area. First, there will be a timing problem in awarding these funds to SDAs. By the time a State has identified technical assistance needs, decided on the money to be awarded as incentives, and notified qualified SDAs to begin the planning process, at least 3 - 5 months will have passed. By the time the SDA has developed a 6% incentive plan and received State approval another 2 months will have gone by. Therefore, the earliest an SDA could practically receive 6% - incentive funds for outstanding performance is 5 - 7 months into the next program year. Since the State will expect the money to be expended during the program year in which it was awarded, the local program will have less than 6 months to provide services under these funds. There is also no guarantee that an SDA will qualify for 6%-incentives the following year, so administrators will be reluctant to hire additional staff to operate 6%-incentive programs. In fact staff who are hired without familiarity with the JTPA system take close to a year to learn the complexities of program operations. The end result is that an SDA is "rewarded" by receiving additional 6%-incentive funds that cannot: 1) be used subject to the adult/youth and performance standard requirements of other Title IIA funds, 2) be expended without adding additional staff, and 3) be expended in a short-time during the busiest time of the year - the Summer and Job Training Planning period. Would you like to be put in the position of having to tell your staff "you did such a good job last year that I'm going to reward you by increasing your workload?" Some "Reward."

The last area I will discuss is the need for workable administrative cost pool guidelines. The current system is described by DOL and interpreted by the State does not actually decrease the administrative workload. As long as SDAs are required to back administrative costs out of the cost pool and allocate them to the numerous funding sources, it is easier to just forget about the cost pool. A simple solution seems obvious. The following process would relieve a large administrative burden from an SDA while still maintaining the integrity of performance standards.

1. SDA plans performance standards using the current system of calculation.
2. SDA plan describes the percentage of funds from each funding source that would be placed in the administrative cost pool.
3. Administrative funds from all sources are pooled and accounted for as "program admin."
4. IIA Adult and Youth Cost performance standards are revised downward in an equivalent percentage to the administrative funds transferred into the pool.
5. Program evaluation is based then upon comparison of expenditures from the Training and Support cost categories with the previously adjusted performance standards.
6. Administrative Cost Pool funds then only need to be reported as a single expenditure category and the only compliance factor is the overall cost pool budget limitation.

This system would appear to be very workable at the local level and would be easy for DOL to implement through administrative action.

In conclusion, I would like to state that although my testimony points out several areas that should be reviewed, I consider JTPA to be very workable as it is currently written. I think that all the suggestions I have proposed can be implemented without amending the Act itself. Fine tuning is all that is needed. The locally driven JTPA system has proven that we can work together to produce an effective program that meets our local needs. This is the way it should be, and I hope it will remain that way.

Thank you.

Senator QUAYLE. Thank you very much.

Mr. AHLERS. Thank you.

Senator QUAYLE. Next is Joan Cline, the executive director of the Community Action Program in Covington.

Welcome

Ms. CLINE. Thank you, Senator.

I am the executive director of the CAP as well as a member of the Indiana Job Training Coordinating Council. Our agency is the administrative entity for the Tecumseh Area Partnership.

JTPA is working in the Tecumseh Area Partnership. Performance standards are being met and eligible participants are being trained and placed into unsubsidized employment, and the private/public partnership is effectively identifying and addressing local employment and training issues.

Our Tecumseh Area Partnership Private Industry Council is comprised of some of the most dedicated volunteers that I have had the pleasure to be associated with, and they were and remain eager to prove that the development of local solutions to local problems is a major contributing factor to the success of the JTPA.

This is the same concept that comprises the community action board and council. JTPA is a relatively new piece of legislation with a clearly defined purpose. However, by the time we receive all the Federal and State regulations and policies and interpretations, it becomes difficult to focus on the original intent of the act.

Section 108 of the act places a 15-percent limitation on administrative expenses. While it is understandable that such costs must be controlled, the administrative requirements should also be reduced to reflect only those necessary in keeping with the basic purposes of the act. Current administrative burdens have far exceeded those under CETA. We received funds from many titles, and all of these are subject to the same separate tracking, accounting, and reporting requirements. In addition, each program has specific eligibility and participant data reporting requirements which further compound the administrative burden.

The act provides for incentive grants to be awarded to programs which exceed performance standards. It does not specify how such funds are to be used. However, the current State interpretation requires that any incentive funds be subject to percentage formulas and all seven performance standards. These restrictions in effect reduce incentive funds to simply another source of funds that provide the same services as with the original title II(a) allocations.

Seven performance standards have been developed for the SDA based on the national regression model. These standards were developed to provide a measure of return on the investment in human capital on increased earnings of participants and the reductions of welfare dependency. However, when the average placement wage increases while the allowable cost per entered employment decreases significantly, the standards begin to govern the process rather than report the results. Those individuals most in need and most likely to benefit from employment and training may not correspond to those most likely to be placed within the average wage range with the shortest and least expensive training.

Also our job training plan determined that the PIC issue a number of policy statements, and we are responsible for following those. But we also must follow those issued by the State and, many times, those come out after ours and they actually conflict with those that PIC's have established. This situation tends to detract from the stability of the services and the credibility of both the PIC and the administrative entity.

These problems by no means are insurmountable. No major modifications or amendments are required, and we feel that JTPA is working and will continue to improve as we gain a better understanding of our respective roles in the employment and training system.

[The prepared statement of Ms. Cline follows:]

Testimony By: Joan E. Cline, Executive Director
Community Action Program, Inc. of Western Indiana
Administrative Entity for the Tecumseh Area Partnership

Hearings of the Employment and Productivity Subcommittee
U.S. Senate Labor and Human Resources Committee
Lafayette, Indiana
August 7, 1985

The Community Action Program, Inc. of Western Indiana has been designated as the Administrative Entity for the Tecumseh Area Partnership. In this capacity, we have the primary responsibility for carrying out the Job Training Plan and following the policy guidelines of the Grant Recipient (Tecumseh Area Partnership, Inc.), Private Industry Council and Local Elected Officials, and the State of Indiana. Our duties range from the review and certification of the eligibility of all participants enrolled in employment and training activities to the recommendation of service providers and the allocation of funds within the eight counties.

JTPA is working within the Tecumseh Area Partnership. Performance standards are being met and/or exceeded, eligible participants are being trained and placed into unsubsidized employment, and the private/public partnership is effectively identifying and addressing local employment and training issues. The Tecumseh Area Partnership Private Industry Council is comprised of some of the most dedicated "volunteers" with whom it has been my privilege to be associated. They immediately accepted the challenges of designing and implementing an effective local employment and training system and have actively exercised their authority for guidance and oversight activities. They were and remain eager to prove that the development of local solutions to local problems is the major contributing factor to the success of the Job Training Partnership Act.

JTPA is a relatively new piece of legislation with a clearly defined purpose. However, by the time we receive all of the Federal and State regulations, policies and interpretations at the local level, it becomes difficult to focus on the original intent of the Act. I would like to cite a few examples.

Section 108 (a) of the Act places a 15 percent limitation on administrative expenditures. While it is understandable that such costs must be controlled, administrative requirements should also be reduced to reflect only those necessary in keeping with the basic purpose of the Act. Currently administrative burdens have far exceeded those under CETA. For example, the Tecumseh Area Partnership receives funds under Title II A of the Act for services to youth, adults and older workers. These funds must be tracked and reported separately as if they were provided from three separate funding sources. We also receive Title III Formula-Allocated Dislocated Worker funds which not only require separate tracking and reporting, but carry the additional burden of a match requirement. The match must be developed, tracked and reported separately. Funds provided under Title II B for Summer Youth Employment and Training Programs must, of course, be tracked and reported separately. Any other funds received, whether in the form of planning grants, 6 percent incentive funds, etc. are subject to the same accounting and reporting requirements. In addition, each program has specific eligibility and participant data reporting requirements which further compound the administrative burden.

The Job Training Partnership Act provides for incentive grants to be awarded to programs which exceed performance standards. The Act does not specify how such funds are to be used. However, the current state interpretation requires that any incentive funds awarded to a service delivery area be subject to the 30 percent combined administrative and support limitation, the 70 percent minimum training expenditure requirement, the 40 percent youth expenditure requirement and all seven performance standards. These restrictions in effect reduce incentive funds to simply another source of funds to provide the same services as with the original Title II A allocations.

Seven performance standards have been developed for the Tecumseh Area Partnership based on the National Regression Model. These standards were developed ostensibly to provide a measure of the return on the investment in human capital through the increased employment and earnings of participants and the reductions in welfare dependency. The need for such a measure is universally accepted within the Tecumseh Area Partnership. However, when the average placement wage range increases while the allowable cost per entered employment range decreases significantly, the standards begin to govern the process rather than report the results. Those individuals most in need of and most likely to benefit from employment and training services may not correspond to those most likely to be placed within the average wage range with the shortest, least expensive training.

It is the responsibility of the Private Industry Council to provide policy guidance for activities under the Job Training Plan. The Tecumseh Area Partnership Private Industry Council has taken this responsibility seriously and has issued numerous policy statements. This has been especially true in the absence of specific state policy regarding a particular issue. As the Administrative Entity for the Tecumseh Area Partnership, we are responsible for following those policy statements. However, we are also responsible for following policy statements issued at the state level. State policy which is issued at a later date than that of the Private Industry Council may actually be in conflict with the previously expressed desires of the Private Industry Council and/or require a modification to the Tecumseh Area Partnership policy. This situation tends to detract from the stability of services and the credibility of both the Private Industry Council and the Administrative Entity.

The few problem areas I have identified are by no means insurmountable. They are also not totally unexpected. We are in the process of developing a comprehensive employment and training system which will require time for refinement. No major modifications or amendments to the Act are required. In fact, the Act provides for the best possible means of alleviating the few existing problem areas through the use of local authority and flexibility. JTPA is working and will continue to improve as we gain a better understanding of our respective roles in the employment and training system.

Senator **Quayle**. Thank you very much.

Next is Ernie Jax, who is a PIC member, is the area leader of the Indiana Green Thumb in West Lafayette.

Mr. Jax, welcome.

Mr. **Jax**. Thank you, Senator.

I have been a member of the PIC since the beginning of the program. I am very satisfied with what we are doing. We have done, I think, a good job. I have been fortunate to be a member of the committee working on the paperwork and so forth to find out that the various areas are doing very well.

I am quite concerned, though, that only 3 percent of the title II(a) funds go for older workers. I deal with older workers every day. I cover 14 counties in the Green Thumb, and we placee people in nonprofit organizations, and we pay their salaries. This comes out of the population also, but this 3 percent of funds is nowhere near enough to take care of the problem.

The population is growing older. We are getting into the gray area, so to speak, and it is not enough money to do the job. We were allocated less than $90,000 that we had to spend this year, and that was out of a $3 million budget.

Most of our funds, I noticed, are spent on youth. Fine. They need the funds also. But the older population is getting there. We have got to take care of them. If we do not, we are going to end up with most of those people on welfare or at a point where they are going to need help of one type or another. And I think funds should be raised to at least 20 percent.

Now, I know that is a big jump.

Senator **Quayle**. From 3 percent to 20 percent?

Mr. **Jax**. Right. I know But we have come to the point where the 65 age group are expanding more than others while the 65 to 75 group is growing 1 percent per year. The 75 to 84 group is growing twice as fast. Either large growth pattern is taking place along those 85 and over, and they anticipate an increase of more than 50 percent by the year 1995, so we have got to get in there and take care of these people and be able to train them.

I do not say go through the regular training because a lot of these people have been out in the market and they know what it is all about to a certain extent. But we have got to take care of them

By the way, we have been doing it under this program. Sorry, but that is just the way that I feel about it, Senator.

[The prepared statement of Mr. Jax follows:]

Testimony By: Jay (Ernie) Jax
Area Leader, Indiana Green Thumb
PIC member

Hearings of the Employment and Productivity Subcommittee
U. S. Senate Labor and Human Resource Committee
Lafayette, Indiana
August 7, 1985

You have heard several people testify that JTPA programs are doing well in this area. I would certainly agree with those opinions.

As a member of the Private Industry Council Monitoring Committee, I have spent over a week visiting local offices to make sure our programs are doing a good job. We reviewed a lot of documents at each office during our monitoring visits and interviewed many program staff to determine whether JTPA programs were being run properly. I am happy to say that our local program operators and administrators have been doing a consistantly good job. We looked long and hard, but found none of the problems that plagued CETA.

I would also like to say that JTPA does a good job of working with older workers. Over 90% of older workers trained by JTPA leave with employment. In my position with the Greeen Thumb Program, I work with people who are 55 years old and over. The same group is also one of those served under JTPA. We have developed a local agreement that helps provide better services to this group by coordinating the activities of both programs. In this way the strengths of each program can be emphasized and any limitations or weaknesses can be overcome. The people we jointly serve are the ones who should and do benefit from this arrangement.

Although JTPA is doing an excellent job of serving older workers, I am concerned about the small amount of funding we receive for older workers. Only 3% of Title IIA funds are nationally reserved for this group. In our area, we are allocated less than $90,000 to train older workers out of a three million dollar budget. Over two million dollars of our funds must be spent on youth. This emphasis is not as it should be, and will be less fair in the future. The numbers of older workers will increase during the next decade while youth will continue to decline. The problems faced by older workers in trying to find jobs will also get worse. Age discrimination does exist and is a very real problem for this group.

For example, one of my Green Thumb workers assigned to the Crawfordsville Welfare Department office was working as a secretary. JTPA provided computer training to enable her to qualify for permanent employment in the Department. But, she was not hired upon completion of training because "she was too old" to be hired by the State. She is 70 years old and has an excellent work record and all the skills to do the job. Her future situation is uncertain.

More and more older workers will become dislocated as changes in technology and plant closings continue to occur. The needs of the older population will increase and JTPA funding available to this group must also increase. The National Council on Aging has proposed that JTPA funds targeted to serve older workers be increased from the current 3% to 20%. While I don't know what percentage would be appropriate, I do think 3% is too low.

Thank you.

August 9, 1985 Addendum to Testimony Submitted By:
Jay (Ernie) Jax
To the Hearings of the Employment and Productivity Subcommittee
U. S. Senate Labor and Human Resource Committee
Lafayette, Indiana
August 7, 1985

In my previous written testimony, I suggested that the amount of JTPA funds that Congress currently sets aside for older workers is too low. By submitting this addendum, I want to provide the Subcommittee with some additional data from our service delivery area that underscores my opinion.

According to the 1980 Census, older workers (55 and over) made up 19.9% of the overall population in this eight county area (53,892 of a total 270,564). Labor Market Information projections estimate that this percentage has risen to 20.4% in 1985 (55,956 of a projected total 274,110). During the last five years, the overall area population has grown slightly over 3,500 people and more than 2,000 of these are in the older worker category. One out of five people in our area are now 55 years of age or older. This percentage is increasing and will continue to grow for years to come.

If our local JTPA program must spend 45% of Title IIA funds on youth who make up only 15.4% of the total population (42,288 of a total 274,110), then I think the 3% that Congress set aside for older workers is too low.

Senator **Quayle**. That is why we are here, to find out what you want. I guess from what you are saying your people are very satisfied with it, they just want more of it?

Mr. **Jax**. That is true. People that have been helped under the program, we got them job, but we do not have enough money to do the job.

Senator **Quayle**. Next is Cathy Lyons, who is also a PIC member. She is the lead counselor of the Indiana Vocational Rehabilitation Services here in Lafayette.

Ms. Lyons.

Ms. **Lyons**. Thank you for the invitation, Senator Quayle, to testify today.

I am the rehab representative on the Tecumseh Area Partnership. I have been involved with TAP since its inception. It is actually kind of nice being on the third panel because a lot of my concerns have already been raised by a lot of the people, Tom, Roger and Ernie. And as a State employee, I need perhaps to be somewhat cautious regarding what I say if it is going to be in the official transcript.

Senator **Quayle**. Do not because we want to hear it all.

Ms. **Lyons**. Well, they have pretty much said it all so I think I will primarily address the cooperative linkages between rehabilitation and JTPA.

What we basically have done is we have worked together on the local level, rehab counselors and JTPA counselors. I feel we are making good use of both agencies' vocational rehabilitative, moneys. JTPA typically pays for training expenses. We, vocational rehabilitation, would pay them, the mutual clients costs for support services: child care, tools, transportation, that type of thing. And I think it has been very successful. And I think the main reason is because of the people on the local level. The State can mandate anything they want, but if it is going to be successful, it is the people right down here in the individual areas that make it work.

Another area of local cooperation has been the certification of handicapped youth, which is required to be done by Indiana Rehab Services. Since we typically do not work with Indiana school youth, we had to develop, and we did locally develop a solution that was very satisfactory to both agencies and it really helped out as far as the administrative time that it took.

Apparently, this had been a problem in some of the other service delivery areas, and the model that we adopted has pretty much been adopted as the State model.

I think maybe some people in rehabilitation initially had some very unrealistic expectations when JTPA was announced, thinking that, well, here is a lot of money and maybe we might be able to do some neat things. Obviously, there is not that much money in the pie. And if you get a small piece of the pie to serve a small percent of rehab clients, you know you are doing well. But I cannot really say that I am upset about the performance as far as those individuals who have been disabled, who have been mutual clients of Indiana Rehab Services and JTPA. There are some very unique problems with JTPA participants, and probably many more problems occur when you look at the disabled population. And performancewise, we rehabilitate disabled and if vocational rehabs entered employment rates were in excess of 90 percent, we would be miracle workers. So I think we cannot really expect for JTPA to serve all of these disabled individuals because many of our people do not really fit into that program that well, but then there are others that do.

Maybe I should get into just a couple of things I feel I should reiterate as problems I see as a private industry council member rather than a rehab member.

Recordkeeping requirements, for example, that are required by the State are extensive. They take a lot of administrative time. And to those of us on the PIC, a lot of this seems to be useless. It seems to have no purpose. And I think some changes need to be made there. The hold-harmless provision I think also makes it difficult for SDA's to really do long-term planning for future years or even the future year, because the hold-harmless provision is not extended down to the local SDA. And apparently there have been some SDA's who have had significant cuts in their funding. I would hate to think that would happen to us. We would really have to get back in there and have to do a lot of major revisions if, all of a sudden, we were faced with a 30-percent cut in funding.

Another thing that several people—is my time up?

Senator **Quayle**. Go ahead and finish.

Ms. **Lyons**. A couple of other things have to do with the problems of Purdue students and them being included in the youth formula. Obviously, there are flaws, but I really think that we have done well with JTPA in spite of the flaws. You know, it is not becaise of Federal legislation, it is not because of the State leadership or lack of leadership; I think, here again, it is the local people right here who really care and want to help JTPA participants.

[The prepared statement of Ms. Lyons follows:]

STATE OF INDIANA

ROBERT D. ORR Governor

Indiana Rehabilitation Services
JEAN MERRITT State Director
2211 Concord Road
Lafayette, Indiana 47905
(317) 474-4405

July 30, 1985

Dan Quayle, Chairman
Labor & Human Resources Committee
Employment Subcommittee
SD428 Senate Office Building
Washington, D.C. 20510

Testimony by: Kathy Lyons, Acting Area Director
Indiana Rehabilitation Services
IRS PIC Representative

Hearings of the Employment and Productivity Subcommittee
U. S. Senate Labor and Human Resources Committee
Lafayette, Indiana
August 7, 1985

Thank you for the invitation to submit testimony on the Job Training Partnership Act. I am the representative of Indiana Rehabilitation Services (IRS) on the Tecumseh Area Partnership Private Industry Council. As the rehabilitation representative, I will primarily address the cooperation and linkages that have been developed between JTPA and our organization.

The relationship between the two systems has been very cooperative. Joint clients are served by funds provided by both JTPA and IRS. JTPA pays for training and placement while IRS provides supportive services. Counselors from both service systems coordinate service plans to ensure all needs are met in an individually designed plan of training that leads to placement. This cooperative delivery approach maximizes the impact of each organization's funds and allows more people to be served by both.

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Another demonstration of local cooperation is in the area of certification of handicapped status for in-school youth. The State JTPA administering agency requires IRS certification of the handicapping condition. However, our agency does not normally work with in-school youth. After much discussion between State-level staff of JTPA and IRS, we developed a local solution which was mutually satisfactory and eased the administrative burden on both our systems. The cooperative agreement was included in one of the frequently required job training plan modifications and has since become the model adopted statewide.

The cooperative relationship between JTPA and IRS has helped the Service Delivery Area to exceed planned service levels to the handicapped population. The area Job Training Plan calls for 5% service to handicapped and actual levels for the last year have been over 7%. This is a significant improvement over the initial transition period when only 3.2% of all JTPA participants were handicapped. I think the main reason for the increased service levels is that JTPA and IRS local staff are beginning to feel comfortable working with each other. All the cooperative agreements negotiated at the State and Regional level must ultimately depend on individual local staff for success or failure. Given time and encouragement from local administrators, I would expect the level of cooperation to continue to increase.

While the JTPA entered employment rate for handicapped participants of 77% is below the overall entered employment rate of 90%, the results are quite respectable. In fact, the job entry rate for handicapped exceeds the SDA entered employment rate performance standards.

I would now like to change topics and present a few ideas from the perspective of a Private Industry Council member. First, the ability of Service Delivery Areas to develop and provide innovative and coordinated approaches as part of an area network of services must be preserved. The handicapped population especially requires highly individualized services to be able to achieve the desired results. In addition, the unique problems in each service delivery area require unique local solutions, not additional Federal or State mandates. JTPA is performing admirably for a program less than two years old. Fine tuning is needed to produce improvements. There are two significant concerns which require Federal attention. The first is the guaranteed local funding levels, "hold harmless provisions", which is not extended to the SDA's. This change would permit program planning which would allow a continuity of services to participants. My second concern is the present Federal Funding Formula for youth. The data base for the youth spending requirement should be based on economically disadvantaged youth who are both unemployed and in the labor market. This would eliminate the inequity in our SDA and two other SDA's in the State because of the large university student population which skews the funding formula.

Sufficient resources need to continue to be available through JTPA. The Labor Market Information estimates of the economically disadvantaged in our area show that the actual number of eligible people in our area are increasing faster than JTPA and other agencies can train and place them. This means we are losing ground at current funding levels during a period of economic recovery. Obviously, JTPA programs were not designed to solve the unemployment problem alone. We, on the Private Industry Council, will continue to try to do the most with the resources that are available.

Respectfully submitted,

Kathy Lyons, CRC

Kathy Lyons, Acting Area Director
INDIANA REHABILITATION SERVICES

KL:pl

cc: Mike Neese, State Director, Indiana Rehabilitation Services
Tom Ahlers, Administrator, Tecumseh Area Partnership

Senator **Quayle**. Thank you very much, Ms. Lyons.

I will go to the Western SDA with Gary Bland, who is the executive director of Child-Adult Resource Services, Inc. in Rockville.

Mr. Bland.

Mr. **Bland**. Thank you, Senator.

Ours is a community based rehabilitation agency and serves a multicounty rural area between Lafayette and Terre Haute, excluding Crawfordsville, so I cover two PIC catchment areas.

When I received my invitation to testify, Ms. Coe asked me to address the question "How have the handicapped fared under JTPA?" My remarks will be general and, hopefully, will reinforce things that you have already heard in your hearings.

I think there is case for concern with the handicapped. The Department of Labor statistics seem to indicate that handicapped participation in Indiana, is low, numbers which are below the national, and the national figures are below the old CETA figures, if any credence can be put in the old CETA figures.

It is also my understanding that only 16 contracts in 9 SDA's exist between private industry councils and rehab facilities, such as my own, and it is my understanding that at both the Federal and State levels, there was implied, if not explicit intent, that community-based organizations already functioning were to be utilized in the provision of services. I am happy to report that I am one of the select 19 that does have a contract with the private industry council. It is with western Indiana, and it is a performance-based contract. If we do not place handicapped individuals into employment, we receive no funds. So the PIC is at no risk. And if I want to receive any kind of financial reward, I have to perform.

As an administrator, I have no problem with this kind of arrangement It seems to me when PIC's can develop these kinds of contracts when there are no risks of moneys, that there should be more contracts like this.

We also have a problem, I think, with—it is part of our problem as well as historically, especially severely handicapped people are placed in entry level positions, which are at $3.35 an hour. If you have a performance standard for which your average hourly wage is higher than that, there is going to be a lot of resistance not to place a lot of people at $3.35.

There is also a bit of difficulty, and nothing that has not been overcome, in dealing as a provider with more than one State agency regulating, overseeing handicapped services in terms of how money gets spent first. Both agencies are charged to use the other's resources, if I understand the situation.

So, to answer Ms. Coe's question, I would have to say that, as a whole, the handicapped have not fared well, but in closing, I would say that through experience, we are all young and that can change.

Thank you.

[The prepared statement of Mr. Bland follows:]

Statement of Gary R. Bland, Executive Director, Child-Adult Resource Services, Inc.; Board Member on Western Indiana Private Industry Council

JTPA TESTIMONY

MR. CHAIRMAN, MY NAME IS GARY BLAND. I AM THE EXECUTIVE DIRECTOR OF CHILD-ADULT RESOURCE SERVICES, INC., (CARS) A COMMUNITY BASED REHABILITATION AGENCY. I AM ALSO A BOARD MEMBER OF THE WESTERN INDIANA PRIVATE INDUSTRY COUNCIL. MY AGENCY SERVES THE HANDICAPPED POPULATION OF RURAL WEST-CENTRAL INDIANA IN A 5-COUNTY CATCHMENT AREA: WE OPERATE 3 FACILITIES LOCATED IN BRAZIL, ROCKVILLE AND NEAR ATTICA.

WHEN I RECEIVED MY INVITATION TO TESTIFY MS. COE ASKED ME TO ANSWER THE QUESTION "HOW HAVE THE HANDICAPPED FARED UNDER JTPA?"

WHEN JTPA WAS ENACTED, INDIANA UNDER THE LEADERSHIP OF GOVERNOR ORR, ACTED VERY AGGRESSIVE TO ESTABLISH THE PIC'S AND GET EMPLOYMENT AND TRAINING PROGRAMS GOING. THIS AGGRESSIVE POSTURE WAS WELCOMED BY REHAB FACILITIES AND JTPA WAS VIEWED AS A NEW OPPORTUNITY FOR ASSISTING HANDICAPPED CITIZENS TO BECOME A PART OF THE HOOSIER WORK FORCE. HOWEVER, THE NUMBERS WOULD INDICATE THAT THE HANDICAPPED HAVE NOT ENJOYED THE RESULTS OF THIS AGGRESSIVE POSTURE.

WHY DO I SAY THIS? STAFF FOR THE PRESIDENT'S COMMITTEE ON EMPLOYMENT OF THE HANDICAPPED, USING DEPARTMENT OF LABOR STATISTICS, CITE THAT ONLY 3.3% OF ALL PARTICIPANTS OF THE ADULT II-A PROGRAM BETWEEN OCTOBER 83 AND JUNE 84 in INDIANA WERE DISABLED, 4.2% IN YOUTH PROGRAMS. THIS IS UNDER THE NATIONAL FIGURE OF 7.3% WHICH IS UNDER THE LEVEL OF PARTICIPATION THE HANDICAPPED WERE AFFORDED IN THE CETA PROGRAMS.

ANOTHER INDICATION IS THAT ONLY 19 CONTRACT IN 9 SDA'S EXIST BETWEEN PIC'S AND REHAB FACILITIES LIKE CARS. IT IS MY UNDERSTANDING THAT AT BOTH LEVELS, FEDERAL AND STATE, THERE WAS IMPLIED IF NOT EXPLICIT INTENT THAT COMMUNITY-BASED ORGANIZATIONS ALREADY FUNCTIONING WERE TO BE UTILIZED IN THE PROVISION OF SERVICES. I AM HAPPY TO REPORT THAT MY AGENCY IS ONE OF

THE SELECT 19 TO HAVE A CONTRACT. IT IS WITH THE WESTERN INDIANA PIC, OF WHICH I AM A BOARD MEMBER, BUT I ASSURE YOU IT'S JUST COINCIDENCE.

THE CONTRACT IS PERFORMANCE-BASED, MEANING IF MY AGENCY DOESN'T PERFORM WE DON'T GET PAID. I, AS AN AGENCY ADMINISTRATOR AM NOT OPPOSED TO SUCH AN ARRANGEMENT AND I WOULD THINK THAT SINCE THIS IS A NO-RISK VENTURE FOR THE PIC THAT THERE SHOULD BE MORE SUCH CONTRACTS ACROSS THE STATE, BUT THERE IS NOT. IT SEEMS THE GOOD INTENTIONS, THAT OF LOCAL RULE, HAS NOT RESULTED IN OPPORTUNITIES FOR THE DISABLED AT A LEVEL THAT IS ACCEPTABLE TO THOSE OF US WHO ARE IN THE BUSINESS OF TRAINING AND EMPLOYING HANDICAPPED CITIZENS. THAT IS NOT TO SAY THAT WE OURSELVES DO NOT SHARE TO SOME EXTENT IN THE CAUSES OF THIS CIRCUMSTANCE.

IF WE'RE CONCERNED THAT THE NUMBERS ARE INDEED BELOW AN ACCEPTABLE LEVEL, THEN I WOULD STEER THE SUB-COMMITTEE TO LOOK AT THOSE AREAS OF THE STATE WHERE THE LOCAL REHAB FACILITY IS NOT PART OF THE JTPA DELIVERY SYSTEM. IS IT BECAUSE THE FACILITY HAS NOT SOUGHT TO BE APART AND IF SO WHY? POLITICS, DISINCENTIVES, PASSIVE MANAGEMENT, OR JUST TOO MANY OTHER DAILY CONCERNS TO BE DEALT WITH WITHOUT ADDING JTPA TO THE MANAGEMENT PILE?

IN CLOSING, I THINK INDIANA HAS A GOOD RECORD OF PUTTING DISABLED PEOPLE INTO THE WORK PLACE. WE ARE CURRENTLY GEARING UP NOW FOR THE "NEW WAVE" OF TRANSITIONAL EMPLOYMENT AND SUPPORTED WORK, BOTH OF WHICH PUT MORE EMPHASIS ON THE SEVERELY DISABLED. THE HANDICAPPED HAVE A RIGHTFUL PLACE IN THE GROWING HOOSIER WORK PLACE BUT CHARITY ALONE WILL NOT LET US SUCCEED; THERE NEED TO BE INCENTIVES: INNOVATION AND SUCCESS SHOULD BE REWARDED. JTPA CERTAINLY HAS THE POTENTIAL TO CREATE A JOB TRAINING, JOB PLACEMENT ENVIRONMENT WHICH REWARDS THE USE OF SUCCESSFUL STRATEGIES. IF THE INCENTIVES WILL BE PUT IN PLACE, AND BILATERAL COOPERATION AT THE LOCAL LEVEL BE EXTENDED THEN MUCH CAN BE DONE TO PUT DISABLED PEOPLE TO WORK AND IN CONTROL OF THEIR LIVES.

BUT TO ANSWER MS. COE'S QUESTION, I WOULD HAVE TO SAY, AS A WHOLE, THE HANDICAPPED HAVE NOT FARED WELL. BUT WE'RE ALL YOUNG AND THAT CAN CHANGE.

Senator QUAYLE. Thank you, Mr. Bland.

The next is Pat Dougherty, who is the executive director of the Western Indiana Service Delivery Area.

Mr. Dougherty.

Mr. DOUGHERTY. I would like to clarify the perception you may have of my PIC to start with.

We have conservative industrialists, we work with conservative elected officials. They are not all red necked Democrats, although we appreciate them.

Senator QUAYLE. Boy, is that a relief.

Mr. DOUGHERTY. I have written testimony which I am going to bypass to go for a little further explanation of the problems that we are having with performance standards.

I want to say first that we have exceeded all performance standards. It is not that we are not meeting them, it is the potential down the road in the creaming process that is in place in areas throughout the State and the Nation.

It is easy for us to talk about a 90, 95, 80, 85 or 70 percent placement rate. But there are other performance standards involved, and they are the cost per placement as well as wage at placement and a number of other things that deal with youth.

If we talk strictly about a placement rate and a cost per placement and ignore the reductions in welfare and earnings gained, then we seek good contracts with employment services or anyone else who can place people at an extremely low cost. What that is, in those instances, is if they get a job order, then they evaluate the individuals they are sending out to see if they are qualified for JTPA enrollment. If they are eligible they enroll them. That individual would have gotten a job anyway, but we wind up with real nice looking figures that we can all quote, but we did not help a soul in the process. We contracted with the Employment Service for a $11,000 clerk's job that cost $19,955 after the State add ons. Our PIC is very reluctant to speed those kinds of dollars for those kind of number games.

Performance standards must reflect an earnings gain for the individual and a reduction in welfare. At this point, all they reflect is a placement percentage and a cost per placement, which are driving the creaming process.

Another problem that we have is the State's intervention after the Department of labor's abrogation of responsibilities. Having used those big words, I shall try to explain what I am talking about.

Very few regulations were written for JTPA. It was given as a block grant to the Governors to interpret the act as they wanted it administered. In that process, they, at the State level, create a number of things after the fact. After the PIC's have already planned and are implementing programs, the State changes the rules.

To be specific, I will isolate title III. Last week, there was a meeting of the SDA Directors, which Mr. Ahlers and I attended. We were informed that the State has made the decision that title III funds that were distributed by formulas already planned for by the PIC's and received by the PIC may be encumbered by the State. If the State has a training for profit or B.I.R.T. project in the SDA, they will encumber the funds in our SDA for that project. That is an insult to the Private Industry Council, and local people who have worked at developing a local project to have it encumbered at a State level.

Thank you very much.

[The prepared statement of Mr. Dougherty follows:]

STATEMENT BY PATRICK DOUGHERTY

My name is Patrick Dougherty. I am the Executive Director of the Western Indiana Private Industry Council, Inc.

Let me express my appreciation for the opportunity to address this JTPA oversight hearing. You are to be commended for conducting these hearings.

Prior to being appointed to the position I now occupy, I was Director of the Private Industry Council of Vigo County which was funded by CETA. Lessons learned with CETA and previous jobs programs were obviously used when JTPA was enacted.

JTPA is working and if I bring any message today it is to not change the program. Although JTPA has been well received and is progressing locally, I do have some concerns that I would like to mention.

The performance standards are a potential problem for the growth of JTPA. Multicomponent programs aimed at high-need groups are either being ignored in some SDA's or approached with caution because of performance standards. These programs are risky and even when successful, report relatively high cost per placement. When Congress was enacting JTPA, they stated in Section 106 that the basic measure of performance for adult training programs under Title IIA are to be increases in employment and earnings and reductions in welfare dependency. The current performance standards do not include these measures. They rely upon placement rather than longer term measures for assessing performance. Performance standards are a must and are one of the significant reasons for the excellent image JTPA enjoys. This is a problem that must be addressed at the National level. It is unreasonable to expect 50 States to miraculously arrive at an appropriate system. Some SDA's do no classroom training. They do low cost, short term OJT's and are interested in placements only. In our SDA, JTPA is viewed as a "G I Bill for the economically disadvantaged"and we budget more monies for classroom training than we do for OJT's. When the local PIC was developing its philosophic approach to implementing JTPA, Section 106 carried a lot of weight. A performance standard system must be developed that incorporates Congressional intent as expressed in Section 106.

Another concern I have,is the lack of Federal guidance that has created a vacuum the State has used to impose capricious reporting requirements that are more horrendous than CETA ever imagined. Title IIA alone has seven different activities that must be reported as if they were different categorical grants. This type of red tape really turns the private sector members of the PIC off. The State seems to think the partnership part of the Job Training Partnership Act is at the State level, not at the SDA level. They create arrangements between State agencies,then impose them at the SDA level regardless of how effective they are. The State agencies should be listening to the needs of the Private Industry Councils but in fact, in this State just the opposite is happening.

Finally if what we care about is the total cost per person served, then defined rules on allowances, stipents, compensation in lieu of wages, support, administration and other cost should be abolished to allow local PIC's the flexibility to design programs within established cost performance standards.

I thank you very much for the opportunity to testify today and I hope my remarks will be considered in future changes in the Act or rules and regulations.

Senator **Quayle**. Thank you very much, Mr. Dougherty.

The next witness on this panel is Mr. Richard Snyder, former PIC member. He is director of the Veterans Employment Council in Terre Haute.

Mr. Snyder.

Mr. **Snyder**. Thank you, Senator Quayle, for giving me this opportunity. I will restrict all of my comments really to veterans.

In addition to being the director of the Veterans Employment Council, I am also the veteran employment representative in Terre Haute. I have been affiliated with the Comprehensive Employment Training Act since 1976. I was on the Vigo County Planning Council for CETA. I was on the Vigo County Private Industry Council and the Western Indiana Private Industry Council from its inception.

In my job as a veterans employment representative, of course, I have worked very closely with CETA and PIC's both, and I have referred many veterans to the Private Industry Council and CETA. I feel that this PIC is working very well. However, I think the law set this up and left veterans out. I think it needs more emphasis placed on veterans.

I realize in title IV–C funds were made available for veterans, but our local industry council did not elect to use these funds. I feel that had they used the funds, it would have been a special program for veterans. I think probably one of the reasons title IV–C funds were not maybe used was because of the fund matching provisions. I think that this should be brought up in the future and maybe take this fund matching provision out of this so somebody will utilize these funds.

That is about all I have to say about the Job Training Partnership Act. Like I say, local PIC and CETA has always been very cooperative. They do give points to veterans and their procedures of picking people they are going to serve, but I do think there needs to be more emphasis. So, in closing, I want to thank you again for asking me to come up here and all the veterans that I represent, and I would like to suggest that more emphasis be placed on veterans' employment even on a nationwide basis.

Senator QUAYLE. OK. Are you familiar with the nationwide veteran training program outside JTPA?

Mr. SNYDER. AVJTA?

Senator QUAYLE. Yes.

Mr. SNYDER. Yes, sir.

Senator QUAYLE. Is that working well?

Mr. SNYDER. That is a separate thing, of course, and has nothing to do with the Private Industry Council.

Senator QUAYLE. That is true. Would you like for it to be merged, because we at one time——

Mr. DOUGHERTY. No, he does not.

Senator QUAYLE. Because at one time we were talking about merging that, and a lot of the veterans groups said we want our separate thing.

Mr. SNYDER. Right; and that is what I am saying about title IV–C. I think there should have been something emphasized, not necessarily forced on them, but if they did not want it, somebody else should have done it locally.

Mr. DOUGHERTY. I think you should have merged them and let the PIC have some input on the implementation on that.

Mr. SNYDER. No way.

Senator QUAYLE. We tried that. You saw the end result, did you not?

Mr. DOUGHERTY. You have the same problem that we have today.

Senator QUAYLE. Veterans groups are very effective in their lobbying. We have a panelist that said he would not be here until 10:30 from a former panel, and he is here now. So let us hear from Mr. Donald Scheiber, who is a PIC member and a representative of the AFL–CIO Community Services, United Way here in Lafayette.

Mr. Scheiber, will you go ahead. We allot to everyone 3 full minutes.

Mr. SCHEIBER. Thank you very much. I appreciate it for fitting me into your schedule. I wish I did not have a busy schedule that I had to ask for a special time. I submitted some testimony on three major points with regard to various targeted groups that the Private Industry Council is serving.

The impact of JTPA on our eligible population and also the impact on dislocated workers, I would like to just leave the testimony on the first and speak to the points of the second and third and add some additional testimony.

We have 30,000 economically disadvantaged workers in an 8-county area. Of that, we train less than 1,500 per year The rising number of economically disadvantaged shows that we are losing ground on a constant basis. This is of great concern to everybody. The funds are being cut. The number of people who need the services are increasing.

In regards to dislocated workers, we have 13,000 area dislocated workers in our 8-county area. We have very limited funds that we are receiving, which this year those funds were to be cut in half through title III. That was changed. However, the number of dislocated workers is on the increase.

We are having plants laying off in large numbers in Lafayette, which has been relatively insulated in the 8-county area. While the unemployment rate in the State went up in the past couple of years significantly, our unemployment went up much slower and hovered around our normal rate, but now we are here in this so-called insulated area and are now feeling the price.

We have industries laying off 200 at a time, 70 or 89, and plants closing on an almost semimonthly basis. We do have a dislocated resource workers team, which is trying to deal with these problems and we have applied for grants to the Governor for discretionary funds. We have been given two grants, one for National Home workers and one for industries in White County, which is north of us.

The moneys for those grants, $75,000 for the National Home workers, were relatively successful. We were able to work with about 50 or 60 of those workers and get them re-employed. Considering they were very old, averaging like 55 years old, we were very successful.

With regards to White County, this is a county that has had tremendous problems. There is only one more large plant left—which just laid off 200 the other day. They have 800 remaining workers. If that plant is shut down, there will be no more major industry in that county. These funds $200,000—special discretionary funds—for dislocated workers are being used very rapidly. One plant, the Alloy Rods plant, has used up most of those funds already in terms of the projected training programs for the workers enrolled. There are—and I put these figures together very loosely—at Monon Trailer, 1,000 workers, of which 200 already are laid off, which may need that in the very near future, may need training resources. RCA employees, when the plant shut down 2½ years ago, were at 800, of which only a small number have received services.

And the Bryant Manufacturing, which has 400, will not be able to be served by JTDA

Senator QUAYLE. Thank you very much. Your entire testimony will be made a part of the official record.

Mr. SCHEIBER. I also have some additional comments in there.

Senator QUAYLE. We will put in your additional comments as well.

[The prepared statement of Mr. Scheiber follows:]

Testimony By: Don Scheiber
Liaison Representative, AFL-CIO Community Services
JTPA PIC Treasurer

Hearings of the Employment and Productivity Subcommittee
U. S. Senate Labor and Human Resources Committee
Lafayette, Indiana
August 7, 1985

Thank you for the opportunity to present my views concerning Job Training Partnership Act programs in this area. I would like to address three major areas: the results of JTPA programs in serving various targeted groups, the impact of JTPA on the overall eligible population, and the local service system for serving dislocated workers.

First - I am pleased to say that JTPA programs are providing excellent services to members of the target populations. One-third (32.8%) of all adults trained last year were single and head of household. Almost one-third (27.9%) dropped out of school without a high school diploma. Over 40% of the adults served were receiving food stamps when they applied for JTPA. For each of these groups, our has achieved significant success. Between 86% and 91% of these people left JTPA training with a job. Trainees are not just initially attractive to employers. Followup studies show that over 80% of adults are still employed after 6 months. During the same period, the average wage has risen $.36 to $5.17 per hour. This shows that most former participants become successful, long-term members of the area labor force.

Second - Although we are doing an excellent job of training those we do serve, there are significantly more people eligible than can be trained due to lack of funds. The Indiana Employment Service estimates there are over 30,000 economically disadvantaged people in our eight county area. Under Title IIA, we train less than 1,500 per year. The rising overall number of economically disadvantaged indicates that, even though over 700 people are trained and placed each year through JTPA, we are losing ground. Congress just recently passed a joint budget resolution which I understand containes a $400 million cut in funds allocated to the "Function 500" categories of programs operated by Labor, HHS, and Education. Since the economically disadvantaged have never had effective lobby support, I urge you and your colleagues to continue supporting JTPA.

Finally, I would like to discuss our approach to serving the needs of dislocated workers. As you know, this group is also expanding throughout our country as industry demands new or different skills of workers. In Indiana, the State has provided each area, by formula, some money to serve dislocated workers. This area receives only about $80,000 per year to serve an estimated 13,000 area dislocated workers. To increase the impact of the very limited amount of funds we receive, the Private Industry Council has established a local Resource Team to oversee a coordinated approach to serving dislocated workers. Our Resource Team has developed a network of working relationships with the Employment Service, Indiana Vocational Technical College (IVTC), organized labor, Adult Basic Education agencies, the State Board of Vocational and Technical Education, and other local social service organizations. This network has proven very valuable in providing prompt and effective response in cases of local plant closings.

A good example is the National Homes closing in December 1984 in Lafayette. The PIC Resource Team recognized that SDA funds would be insufficient to meet the needs of the workers who would be laid off. The PIC applied for State Discretionary funds and was granted $75,000 in a relatively fast process. While the grant was progressing with the State, the local Resource Team contacted several local agencies to develop a coordinated plan of services. Prior to the plant closing and with full support of the plant management and labor, we were able to provide 160 workers with information about JTPA services, Unemployment Insurance benefits, IVTC enrollment procedures, and basic education services available through the Lafayette Adult Reading Academy. Workers could apply on the spot for any of these available services. The net result of this coordinated approach to program design have been that over 90% of the former National Homes workers that have completed retraining are now employed. This record is remarkable in that the average age of this group was 53 years, the average education level 9.3 years, and the overall skill level of dislocated workers was not very high.

Testimony by: Don Scheiber
Liaison Representative
JTPA Treasurer

Additional comments:

1. JTPA and PIC's were founded upon the idea that local people would determine local needs and local programs for job training. This past year the amount of dollars allocated for Title III was to have been cut in half (rescinded) from $160,000 to 80,000. Our PIC received the reduced allocation, and later when the budget rescision was reversed and the entire amount of the money was to be reallocated, we found out that the State has now usurped our local preogative by telling us we can have the money, but only if we reserve it to pay for their programs: namely "Training For Profit," (TFP) and "Basic Industry Retraining" (BIRT). We see the need for using the money in other ways and don't have any special or particular interest in whether these Dept. of Commerce programs are run here. We son't want them (State) to hold our money to be spent for their programs. We are and have been quite willing to cooperate with other State programs, but have different donsiderations to make as to what programs will be run for what populations. This withholding of monies is unfair, highhanded, and defeats the local and private initiative values upon which JTPA was supposedly founded.
2. Only 5% of the total universe of unemployed people are being trained. The overall funding level is much too small and is being cut back further.
3. With such limited monies and with the widespread process of "creaming" going on (where the "best" are placed "easiest") there is still a great need of placements for the least skilled and educated in public service employment to provide needed work where the private sector cannot.
4. There is an over-emphasis on the private and corporate sector involvement in the PIC with labor participation limited to a token representative. This goes along with the perception of JTPA as a Corporate welfare program, compared to the CETA participant welfare program, where most benefits went to needy individuals. Many company subsidies for on-the-job training are paid to employers who would have to train new workers anyway for their production tasks. Concurrently, programs like the Job Corps and the Human Resourses Development Institute (HRDI) are being severely cut-back or phased out. Labor determination is not a significant value under JTPA.

Senator QUAYLE. Ms. Cline, did you volunteer to say that you are a member of the State job training partnership council?

Ms. CLINE. I almost marked that out.

Senator QUAYLE. I do not want to put you on the hot seat, but you look very capable of responding and handling any question that I can proffer. I would just be curious about your reaction. You have heard the testimony here today. The lack of the coordination and the communication from the State level to the local level, which you are part of the local level as well, is there a problem and what can we do about it from your perspective?

Ms. CLINE. Well, I am thinking that there are, first of all, one of my observations is that probably the PIC's do not use the authority that they have, and I am thinking that maybe we are not assertive enough with our authority because maybe we are still in that transition from CETA. I think that is part of the State's problem, too, as I observed, they are having a more difficult time making the transition from CETA to JTPA than we are at the local level.

They have their system set up, and sitting on the council, I notice that things come down very prescriptive when questions are asked or challenged It seems as though those things have to be included because it has to be in their plan to DOL.

I do not have any answers for you.

Senator QUAYLE. Do you know if there is any forum that members of the council or people of the State go around and have field hearings to sort of get input like this from the various people that administer the training program or do they do it basically by word of mouth and personal contact?

Ms. CLINE. We did have a hearing last year; the coordinating council held hearings.

Senator QUAYLE. To set up the service delivery areas or was this afterward?

Ms. CLINE. No, this was like just in the last year. In the last 12 months we have had hearings very similar to these where people were invited to come and testify. I sat on the council for two of these hearings, and I do not know that people were really as open—I was at the Indianapolis hearing and this one that you have held today, and I am not sure that they were as open as I have witnessed today, at those, and I do not know if it was too new or if they were again intimidated by the hand that feeds them. I do not know what the problem was.

Senator QUAYLE. OK. Well, I thank this panel for a very important contribution, and we look forward to working with all of you in the near future.

Our final panel is a panel of employers and trainees: Gary Avery, Melanie Brown, Connie Humbarger, and Steve Name. We will add as part of the record a written testimony from Marcia Millian of Rural Route 2 in Flora, a letter that she has addressed and sent a carbon to the Governor that will be made a part of the official record.

First on my list is Gary Avery, who is the senior vice president of the Tippecanoe Mortgage Corp. here in Lafayette.

Welcome, Mr. Avery. Please proceed.

STATEMENTS OF GARY L. AVERY, PIC MEMBER, SENIOR VICE PRESIDENT, TIPPECANOE MORTGAGE CORP., LAFAYETTE, IN; MELANIE J. BROWN, FORMER ADULT JTPA PARTICIPANT, BOOKKEEPER, TIPPECANOE MORTGAGE CORP., LAFAYETTE, IN; CONNIE HUMBARGER, PRESIDENT, BEST DISTRIBUTING, INC., LAFAYETTE, IN; STEVE M. NAME, FORMER YOUTH JTPA PARTICIPANT, JEWEL GROCERY, WEST LAFAYETTE, IN; AND LISA HARTMAN, ADMINISTRATIVE SECRETARY, ENGLISH DEPARTMENT, P.U.

Mr. AVERY. I appreciate the opportunity to share with you our firm's experience in participating in JTPA. Our corporation began its operation in April 1983 as a small business, and we have had five locations in which we have used JTPA through our Tippecanoe county development. Like all other businesses, we need trained personnel as well as the employees that understand positive attitudes and have good attitudes about their employment position.

After we hired our initial staff of trained personnel with the technical expertise, we concentrated on looking for individuals of the characteristics of positive attitudes and dependability. We met with career development on several occasions, interviewed their employees, got to know their program, and pleased that worked out, the opportunity to hire these individuals from career development.

Let me throw out a few things about the people at career development. We find them to be knowledgeable; they are sensitive to my goals as a business and just as equally important, I find them sensitive to the people and the problems that they have gone through in finding employment.

They also understand the displaced worker, whether it be youth, the elderly, the unemployed, and I think this combination of characteristics among the people at career development is one reason that this program has been successful. Let me talk about the people that they have provided us.

If you look at an interview of who we have working with us, first of all, they have a desire, to do a good job, and they want to contribute to our work force. Most of these people lack the skills in effectively competing in today's market for the jobs that are needed or are available. These people require training from our expectations as an employer of what we want out of them, especially in the area of attitudes.

To some extent, personal grooming, how you present yourself, the image, typing skills were lacked in some instances, and another important aspect is they probably lack some knowledge of what we are all faced with, computerization that is engulfing us.

The keyboard is going to be our master, whether you are a Senator or a clerk at a telephone. We realize this and those skills are important. They know that, and they work with these people, but the most important thing they do is they give the people self-confidence and they make them feel good about themselves.

They needed that to be successful on the job. The other thing we need is on-the-job training, and I think that is where we came in as an employer trying this out and provide that aspect. I will skip over a few other comments, but I want to get to a couple of things about small business and JTPA, since I am a small business.

Let me say that the people we have hired have had these qualities which are important in our work force. We hear about cuts in the Small Business Administration. We hear about cuts in the budget. We hear about cuts everywhere, and I am sure JTPA is under pressure to cut. Common sense tells us that JTPA is getting people back into the work force. When they are back into the work force, you are going to be saving money in social programs so that you do not have to provide money and you are making the people feel good about themselves.

Finally, when you get people back into the work force, that money is eventually funded through on the revenue side of the Nation's great budget, so I suggest that in revitalizing this, JTPA does need more funding because it helps not only youth, a future resource, but also the displaced worker and everyone else, and it will help small businesses.

Thank you.

Senator QUAYLE. Well, thank you very much for your testimony and statements to the fact that you have been able to utilize JTPA.

Now, we will hear from Melanie Brown, who is a former adult JTPA participant. She is now a bookkeeper at the Tippecanoe Mortgage Corp., here in Lafayette. Ms. Brown, welcome.

Ms. BROWN. Thank you, Senator. We, my husband and three children, moved to Indiana from New York on January 7, 1984. We had no jobs, but my husband had prospects of jobs. He took a position as maintenance and security because of the housing that was presented with it. They also offered me work as a painter with enough hours until I could find something.

I did not know where or how to go about finding work, but I knew that what I was doing would not last and I was going to need something soon. I began to watch the newspaper and repeatedly saw the ads for career development. I also saw the ad for jobs I knew I could do, but I did not know how to go about it. I had bookkeeping experience for our farm for over 25 years. I never dreamed that I could hold a position such as I have today.

Career development taught me how to write a résumé, which is something that I had never had before, and how to go about getting leads for positions other than the ones advertised in the newspaper, but most importantly, they taught me how to effectively interview for a position such as how to present myself and the importance of followup letters.

After finding the position I now have, career development did not stop there. They furthered my education by getting me into an evening accounting class at Purdue. I attended these classes willingly and enjoyed the experience and opportunity that had never been offered to me before. This knowledge is something that no one can ever take away from me.

While going to Purdue, I was also getting on-the-job training at Tippecanoe Mortgage Co. Although I am through with career development, I am still learning, and I enjoy the position I hold today.

I have been asked if I would suggest to anyone to go through the program. My answer is yes, I would. My family and I are very thankful for the money that I receive in each paycheck and with the knowledge that if something happens to my position, I can still count on the skills that I learned through career development.

Senator QUAYLE. Very good. Congratulations to you.

Ms. BROWN. Thank you.

Senator QUAYLE. Next is Connie Humbarger, president of Best Distributing, Inc., here in Lafayette.

Ms. HUMBARGER. First of all, I would like to express my appreciation to the Subcommittee on Employment and Productivity for the opportunity to testify on behalf of the Job Training Partnership Act.

Best Distributing Co. is a wholesale food distributor. Seyfert's Potato Chips manufactured in Fort Wayne is our primary product. We have warehouses in Indianapolis, Terre Haute, Greensburg, and Columbus, as well as Lafayette.

Of the 38 people currently employed by Best Distributing, 8 were introduced to us as a result of JTPA. Best Distributing was founded by my father in 1946. Two years ago our company began to experience rapid growth. During one 12-month period we increased our office personnel by four. It became necessary to utilize the services of an agency that screened and placed individuals according to their ability as well as career aspirations.

I was aware that the Comprehensive Training Employment Act had been replaced. The Indiana Employment Security Division provided me with the information concerning the Tippecanoe County Department of Career Development. I was very impressed with Mr. Craig Lamb, job developer with career development. His knowledge of the program and quick understanding of the needs of Best Distributing proved to be a tremendous asset.

I believe the success of this program is due in part to the people in charge of implementing the program. Since October 1983 nine people have been employed by our company that were referred to me by career development. Of the nine, five are currently employed on a full-time basis. I consider these five people to be some of my most valued employees.

The Indianapolis Alliance for Jobs has provided our Indianapolis operation with five employees, three of which are currently employed on a full-time basis.

I have only positive feelings toward the JTPA. This act provides a service to the employer as well as the employees. With the current job market experience, I believe, is most important in securing a job. The majority of individuals hired by me through the JTPA had no previous experience or very little.

It would have been extremely difficult for them to secure a job with potential for advancement. Three of the women I hired through JTPA were single parents. The JTPA afforded them the opportunity to get a good job, a job with security and the potential for advancement. One of the women is now my assistant office manager. Had JTPA not existed, I would have hired women with at least 2 years of data processing experience.

From the employer's point of view, being a small company, the tax credit provided is not only incentive to participate, but also economically beneficial. Another plus is the ability to train individuals according to the procedures and policies of Best Distributing while receiving half the hourly wage during the training period.

I have always been an advocate of programs of this nature. I have utilized the services provided by area high schools with regard to on the job training. I have been very satisfied with the JTPA and will continue to use the services provided by JTPA.

In fact, yesterday my director of operations contacted career development concerning new applicants for a position to be filled in shipping and receiving. This position became available as a result of a promotion to warehouse manager of an employee hired through the JTPA.

Senator QUAYLE. Thank you very much. Mr. Steve Name, who is a former youth JTPA participant with Jewel Grocery in West Lafayette. Mr. Name.

Mr. NAME. Thank you, Senator. When I went to 700.1, I was unemployed for 5 months, and I went through their previous class, which is pretraining, learned different things, learned more things about myself. And then I went to job search. There I learned how to find a job and we were provided with video TV and 1 month later I got my job at Jewel's A&S.

I would encourage anybody that is out of work and that is eligible for this to go. It is a good job. It is a good thing to go to. It has really helped me. It has built my confidence up a lot and it has really done a good job for me.

Senator QUAYLE. Congratulations to you for a job well done.

Mr. NAME. Thank you.

Senator QUAYLE. The final panelist is Ms. Lisa Hartman, she is the administrative secretary to the head of the English Department, Purdue University.

Ms. Hartman, welcome.

Ms. HARTMAN. Thank you, Senator Quayle. My experience with JTPA is that of an employer. Being the secretary to the head of the department, any openings we have in clerical positions, I need to interview people and fill the positions.

In the last 6 months we have had two openings. I interviewed 25 people, 3 of whom were from JTPA. The two people I hired were from JTPA. One was an older woman. She had not worked outside of her home for about 30 years and she was widowed. The other was a youth who her parents were both handicapped and unemployed.

The people that Purdue University personnel sent to me and the JTPA participants had quite striking differences. The JTPA participants came prepared for the interview and prepared for work, both in their dress and in their manner.

The JTPA personnel worked with us and referred people to us that possessed not only the occupational skills that we needed for these jobs, but more importantly, the personal attributes that we needed. They could get along with the coworkers. They knew how to behave themselves. They were also able to work with professors and with a variety of students. The personnel at JTPA knew the strengths and the weaknesses of their participants, and this was a big help to me in hiring. I found that I could rely on these people and that is very important to me.

A teaching assistant in our department is planning to start a small business of his own. I talked to him about JTPA, told him what they could do for him. They would provide someone to help them with, like on the job training and perhaps advise him about some tax credits. And in today's economy I think this would be especially important to encourage for new and small businesses.

With my experiences with JTPA, I strongly recommend it to other employers. They can hire workers who are prepared and ready to work.

Senator QUAYLE. Thank you very much. I think this pretty well summarizes our hearing and we will conclude by saying that employers and employees have found the Job Training Partnership Act to be helpful. I always want to sort of see the success cases and find people that are satisfied after having gone through the system because our ultimate objective is to put people to work, and in this case we have been able to not only find jobs for people that do not have jobs, but provide employers with very talented and capable individuals who are ready, willing, and able to do the job that is required of them. That is really what it is all about.

I thank the panel very much.

[Additional statements submitted for the record follow:]

STATEMENT BY PETE CHALOS

Mayor, Terre Haute, IN

My name is Pete Chalos. I am the Mayor of the City of Terre Haute, Indiana. I appreciate the opportunity to testify before this hearing on JTPA oversight.

I would like to address JTPA briefly today with economic development and local decision making in mind.

The monies available for training have been an integral part of many incentive packages we have developed for prospective new businesses and industries. We contact the local Private Industry Council and explain the type of prospective employer and number of employees they will hire. The PIC looks to their available resources and then commit a dollar amount to the incentive package. Those dollar amounts have ranged between $25,000 and $250,000.

When those monies have been committed by PIC all titles are used. They are from Title IIA Youth, Adult and Older Worker and from The Title III Dislocated Worker grants. This is local decision making and partnerships working together to address and impact upon economic development in our Service Delivery Area. The process has worked very well to date.

The State is changing the aforementioned local decision making process. They have realigned and restructured State agencies to aggressively pursue economic development. This is commendable if the effort is interstate aggressiveness and not intrastate aggressiveness. To make my point more clear I will isolate and discuss Title III Formula distributed monies. Before an SDA could receive Title III dislocated worker monies from the State, a local resource team had to be identified to address local needs for Dislocated Workers and make recommendations to the PIC who then developed a local Plan for submission and approval by the State. This process involved local individuals making local decicisons for local dislocated worker projects. Everything sounds fine up to this point doesn't it? The State couldn't leave well enough alone. At a meeting on August 1, 1985, the SDA Directors were informed by a representative of the Indiana Office of Occupational Development that a State policy directive is forthcoming that will mandate as follows; "When TFP or BIRT projects are granted to an employer by the Department of Commerce, the State shall encumber available Title III formula distributed monies for that employer."

If the State is going to designate how monies are going to be used, why do they ask an SDA to go through the local planning process. This procedure makes no sense. If an economic incentive package is being developed, why isolate Title III from Title IIA? It is also an insult to local citizens who have donated their time and expertise to a local problem and now their integrity is being questioned.

As JTPA was being developed in Congress it was obviously a local program. The Federal Government, through the Department of Labor, has abrogated its responsibilites by lack of regulations indicating local control. What started out as a local program has in fact become a Block Grant to the States. This is not what was intended in the development and reconciliation of the Act. The individuals of stature and importance presently serving on the local Private Industry Councils will gradually drift away if the current trends are not reversed. JTPA will become a bureaucratic mess without strong local Private Sector involvement.The States view of SDA's seem to be the same as Occupational Development Centers were under CETA. The SDA's are not merely grant administrators for State developed programs. I see shades of CETA closing down on JTPA.

JTPA has been well received in our community and enjoys an excellent image. Its working. Don't tinker with the legislation just to be making changes.

Thank you for the privilege of testifying.

August 5, 1985

TO WHOM IT MAY CONCERN:

I had recently gone through the Dislocated Worker Program with Career Development here in Lafayette, Indiana and had planned to write Governor Orr and advise him on how good I think this program is and how beneficial it is for the people in the State of Indiana when I learned of this hearing and decided to share my feelings with you.

I am an Executive Secretary/Administrative Assistant who was employed with National Homes Corporation here in Lafayette, Indiana from 1969 through November, 1984 when they closed their plant in December. I felt I was a knowledgeable employee-prospect but felt I needed to be trained in the fields of word processing/computers and accounting since I had all other skills from my previous on-the-job training. I am currently taking these classes and will be back on the job within 2 more months -- thanks to you making this program available to me.

I have gone through Career Development's "Job Search" Program and I feel it is one of the most worthwhile programs you could make available to the people in the United States who want to get jobs and be employed. I saw people who had no high school diploma go through this program and for the first time in their career get that diploma so they could now be a serviceable employee-prospect and get that much needed job. I also saw people with high school diploma(s) but with no marketable skills go through this program and learn the necessary things they needed to know in performing a "professional-type" job search, i.e. how to properly fill-out a job application, how to prepare a resume' and send them out with a cover letter, how to properly conduct an employer/employee interview and view themselves in a mock-type interview on video. I saw employee-prospects with experience but lacking the necessary tools and equipment needed in their job training be supplied with those necessary tools so they could readily get hired and be back on the job again. Every job applicant's situation was given careful consideration by Career Development personnel and handled accordingly which made our "job search" that much more effective. Some employers like working with Career Development in the hiring of new employees where on-the-job training fees are split 50/50.

Most people who went through the program with me were lacking skills and experience, but in the 2 weeks time we went through the program together, I can truthfully say they were about as professional as they were ever going to be and conducted a "Job Search" Program that you would be proud of. These are skills they can retain from one job search to another and from now on should be an asset to the State of Indiana in their job performance.

This is a much better program than welfare and food stamps as far as I am concerned -- and the government's money is being much better spent for this program. I sure hope it can be retained for those who need a little more training and guidance (and encouragement) to perform their job search in a more professional manner so they can get back out in the work force. AND YOU SHOULD BE COMMENDED FOR GIVING THEM THIS OPPORTUNITY -- and believe me it is being taken advantage of, both by those less fortunate than myself as well as the more professional employee who needs updated skills prior to going back out in the work force.

I repeat once again.....I THINK THIS IS A GOOD PROGRAM and I appreciate your making this program available to all of us.

Sincerely,

Marsha Million

Marsha Million
R. R. #2, Box 111
Flora, Indiana 46929

MM
cc: Governor Orr

Senator **QUAYLE**. This hearing will now stand in adjournment.

[Whereupon, the subcommittee was adjourned.]

OVERSIGHT ON THE JOB TRAINING PARTNERSHIP ACT, 1985

WEDNESDAY, AUGUST 7, 1985

U.S. SENATE,
SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY
OF THE COMMITTEE ON LABOR AND HUMAN RESOURCES,
Fort Wayne, IN.

The subcommittee met at 2:30 p.m., in room 126, City-County Building, Fort Wayne, IN, Senator Dan Quayle (chairman of the subcommittee) presiding.

Present: Senator Quayle.

OPENING STATEMENT OF SENATOR QUAYLE

Senator QUAYLE. The committee will come to order.

We are having a number of hearings around the State on the implementation of the Job Training Partnership Act. We had hearings in Indianapolis, South Bend, Evansville, the Hammond and Gary area. This morning we had a hearing in Lafayette.

Today we will have a hearing in Fort Wayne to find out how the JTPA Program is going in northeast Indiana.

I might say at the outset that some of the observations that we have heard is that there has been a great deal of esprit de corps with the public and private sector, in partnership and cooperation, in comparison to the CETA Program. That is one of the things that comes to mind, from many of our witnesses, that we really have a true and meaningful private-sector involvement.

We also have a great effort and emphasis on performance standards. We want to see people not only get trained, but we want to see them placed into a job. Those adults that receive training, 80 percent of them end up on the job. Of 70 percent of the young people that receive training, about 95 percent of those individuals have a permanent job after they receive the on-the-job training.

This is in stark contrast to what we had before, under the CETA Program, where job placement was around 20 percent, if you exclude the public service employment.

I would say that both programs had the same goals, but I think what we will find out, hopefully, is that this program is working.

This is an open hearing. People will be able to tell us what is on their minds. Looking over this witness list, I think that everyone here will be very straightforward and candid. We want the criticisms, as well as accolades.

The reason that I am doing this is that so often, I think, your Washington Representatives pass laws and then just think they are going to be implemented, and never take the time to go out and ask the people how it is going. They may see someone at a coffeeshop or on the street, or at some gathering here or there, but really no one takes the time to get out and to talk to the people that have a hands-on experience with the program to get their assessment.

I certainly believe that the people that we will be hearing from today are the ones that are working with the program. They are the experts. We designed the program to have it decentralized, to give the power, the authority, and the responsibility to those at the local level. We feel that the creativeness and the innovation can best be devised here at the local level, and that is what we are trying to do.

We will certainly find out a lot more. We have four panels. We have 20 witnesses that will be testifying this afternoon. We will try to conclude within a 2-hour time period.

Therefore I am going to ask our witnesses at the outset if they would be able to perhaps summarize their remarks within 3 full minutes.

Their prepared statements, if they have one, will be incorporated into the hearing record, in total. We will not edit that at all.

If you exceed 3 minutes, I will have one of my aides come over and hand you a little piece of paper that tells you that your 3 minutes have expired, and then if you could just summarize your thoughts, or whatever is on your mind, and be able to conclude so that we will have some time for questions and get through our 20 witnesses.

[The full text of Senator Quayle's opening statement follows:]

Senator Dan Quayle

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OPENING STATEMENT OF
U.S. SENATOR DAN QUAYLE (R-IN),
CHAIRMAN OF THE SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY
OF THE SENATE LABOR AND HUMAN RESOURCES COMMITTEE,
AT THE OVERSIGHT HEARING ON THE JOB TRAINING PARTNERSHIP ACT
IN FORT WAYNE
August 7, 1985

I called this hearing today, one of a series of six I have been holding around Indiana in July and August, because, as the chief Senate sponsor of the Job Training Partnership Act (JTPA) and as chairman of the Senate Labor Subcommittee on Employment and Productivity, I believe I have a responsibility to find out how JTPA is meeting Indiana's substantial job training needs.

In holding these field oversight hearings, which have been formally authorized by U.S. Senator Orrin Hatch (R-UT), the chairman of the Senate Labor and Human Resources Committee, my ultimate purpose is to make sure that JTPA is in fact serving the training and retraining needs of those it was designed to serve -- the economically disadvantaged, dislocated workers, young people, migrant farmers and older workers.

Congress strongly supported enactment of JTPA in 1982. This legislation passed the Senate unanimously and cleared the House with few dissenting votes. JTPA was signed into law by President Reagan on October 13, 1982, and it became effective on October 1, 1983. Now, in observance of the July 1 start of the second full JTPA program year, I am chairing these first Senate oversight hearings to assess the operations of JTPA. On July 1 and 2, I received testimony from over 80 witnesses in four hearings in Indianapolis, Evansville, South Bend and Gary. Today, I will receive testimony from another 45 witnesses at the additional hearings I am conducting in Lafayette and Fort Wayne.

During the course of these sessions, I am hearing from witnesses representing a wide variety of community perspectives on job training. In July, I heard from U.S. Secretary of Labor William E. Brock, Governor Robert D. Orr and Lieutenant Governor John M. Mutz. I am also receiving testimony from members of private industry councils and their chairs; local elected officials; representatives of related programs, such as education and the Employment Service; trainees; and business and labor.

In Indiana, training and retraining are crucial components of our economic development efforts. As we revitalize our existing economy and attract new industries and businesses, we must have a skilled labor force to offer employers.

The need for the Job Training Partnership Act in Indiana is documented by unemployment statistics. Monthly unemployment rates in Indiana have exceeded national unemployment rates regularly since 1979. For 1984, the annual average unemployment rate for Indiana was 8.6 percent, while the national average was about 7.5 percent. The most recent monthly data available, for June 1985, show Indiana's unemployment rate to be 8.2 percent, yet the national rate remains 7.3 percent.

Indiana has clearly been deeply affected by the structural changes in the U.S. economy, most notably in the auto and steel industries, which form the backbone of our State's manufacturing sector. To assist workers who have been displaced as industrial techniques and production levels changed, I included a program for dislocated workers in the Job Training Partnership Act. In the auto and steel industries, it is not uncommon for an individual, and even generations of a family, to have worked for a single employer for many years, perhaps all of their lives. Over the past few years, an increasing number of these workers have suddenly found themselves unemployed. The job training and job search assistance provided by JTPA's dislocated worker program are essential to the transition of these experienced workers to new jobs. During the course of these hearings, I am eager to learn about the experiences of individuals who have been involved in JTPA's dislocated worker program.

JTPA also was designed to serve the chronically unemployed. During these sessions, I also want to examine the impact of JTPA on the economically disadvantaged long-term unemployed worker with little job experience.

Since JTPA was enacted, Congress has deliberately pursued a course in administering it that is most unusual in the history of federal job training programs. We have tried to play a supportive role by not interfering with States and localities as they have assumed greater responsibility for the operations of job training programs.

Congress' supportive role has taken two forms. First, it was built into the very design of the program. Under JTPA, the federal role is to measure the results of job training programs, not to dictate how States and localities will achieve these results. JTPA's performance standards are used to measure program effectiveness and hold States and localities accountable. Under JTPA, responsibility for developing procedures to meet these standards has shifted from the national level to the State and local levels. In return, States and localities have great discretion in designing programs to train and prepare the unemployed for gainful employment.

Congress has also helped nurture this new program by not tinkering with it. In the past, Congress approved major job training amendments almost annually. This only contributed to program instability and misuse of federal money. But we have not amended JTPA since it was enacted.

But now that JTPA has been in operation for a full program year, I believe it is time to assess its operations. Members of the staff of my Employment and Productivity Subcommittee have been monitoring JTPA operations in Tennessee, Mississippi, Washington, Ohio and Maine, and to complement the six hearings I am chairing around Indiana, my staff is conducting forums on JTPA programs in Kokomo, Columbus, Salem, Marion and Muncie.

Already there is evidence that some problems experienced in the initial few months under JTPA can be resolved without legislative action. For example, the Employment and Productivity Subcommittee has heard concerns voiced about the level and quality of services provided to youth. Initially, many service delivery areas were finding it difficult to meet the requirement that 40 percent of Title II-A funds must be used to serve youth. Now, however, we are beginning to hear reports that many service delivery areas are devising innovative ways of serving youth. Governor Orr presented testimony on Indiana's impressive efforts to meet the needs of unemployed youth. Recent data from the Department of Labor show that the percentage of youth served has increased from 37 percent in the first quarter of the 1984 program year to 42 percent in the second quarter.

Another issue I have been examining in these hearings is the impact and effectiveness of JTPA's performance standards.

In Washington, D.C., either later this year or next year, I plan to conduct oversight hearings focusing on specific job training issues to determine whether there is a need for amendments to fine-tune JTPA. The findings from these Indiana field hearings will help shape the issues we focus on at that time.

I'm pleased that Indiana is leading the way in administering JTPA, and I'm confident that in the course of these hearings, I'll gain valuable insights from the people of our State on the program's strengths and weaknesses. I developed JTPA to address Indiana's training and retraining needs. These hearings will help me gauge how well it's serving our State -- and how JTPA might be usefully improved.

Senator Quayle. So, with that, if the first panel of representatives will come forward. Bill Burtnett, John Decker, Dick Ellenwood, and Jack Schrey.

Welcome, gentlemen. I think we can go ahead and proceed in the order that is on my witness list here.

Bill Burtnett, who is vice chairman of the Private Industry Council, the owner of the Vintage Tin, in Avilla, IN. Mr. Burtnett, welcome, and proceed at your pleasure, please.

STATEMENTS OF BILL BURTNETT, PRIVATE INDUSTRY COUNCIL [PIC] VICE CHAIRMAN, OWNER OF VINTAGE TIN, AVILLA, IN; JOHN W. DECKER, HUNTINGTON COUNTY COMMISSIONER, HUNTINGTON, IN; RICHARD M. ELLENWOOD, CHAIRMAN, LOCAL ELECTED OFFICIALS FOR THE NORTHEAST INDIANA SERVICE DELIVERY AREA, ALLEN COUNTY COMMISSIONER, FORT WAYNE, IN; AND JACK W. SCHREY, PIC CHAIRMAN, FORMER GOVERNOR OF THE BOARD, MAGNAVOX GOVERNMENT AND INDUSTRIAL ELECTRONICS CO., FORT WAYNE, IN

Mr. Burtnett. I appreciate the opportunity to testify today.

The concerns that I am going to address may appear on the surface to be really the relationship between the State and the SDA, but I think it goes back to the oversight on the part of the Federal Government and also the Department of Labor.

One of my first concerns is the 6-percent money that the State is retaining for administration of the JTPA Program. I have to draw an analogy to this in that if you send a child with $5 to buy a candy bar, you expect some change back.

The State has retained this money and earmarked it for various categories, such as data processing. That was 2 years ago. Our existing management information systems, and also our accounting systems were to be brought up on line on this computer. At this point right here, we are still 2 years into the program, and it has not occurred.

Our accounting system right now resembles Bob Cratchet and his quill, really.

The resolve from the State was that they were going to earmark this money for two other areas, in that one would be an incentive award and one would be technical assistance.

If you ran a good program, the incentive would be that you would receive your money, to spend it in the area of 15 percent for the administrative area, which is hardly an incentive. We are trying to keep costs down. That is obviously my responsibility as a PIC member.

The other was to provide technical assistance in that if your program was bad, they furnish you this money and you could spend it in whatever area you deemed necessary. I hardly think that is an incentive either.

My second concern is the emergence of employment security as a dominant force in the administration of the JTPA at the State level.

At this point here, I think the legislation is very sound. It outlines the private industry council, the local elected officials, to have oversight over all job training and employment practices and coordinate and cooperate within the State itself. I think the law is very clear on that.

At this point, I see ES moving in and are untried as far as we are concerned. They are not required to perform under our standards, or by our standards, as outlined by the Department of Labor, regarding cost per placement, job terminations, negative or positive. If this is to occur, then the only way we can accommodate this is to have the oversight also over ES. That is how we read the Employment Training Act.

The program has been successful as far as I am concerned. We have an award winning program. In my travel across the State, both nationally and across the State, we have one of the best SDA's in the district.

My comments were not intended to be derogatory to any one particular group. I am up front to the point most of the time.

We have some real success stories. The one that I will close with is just recently I was informed that one of our applicants was illiterate, jobless, and lived in a tree for 2 years. We placed him, tested him, assessed him, and got him a job. That is what we are here for.

Thank you.

Senator **Quayle**. Congratulations. Thank you very much.

Let me go ahead and get to the other witnesses, and then we can get into a question and answer period.

Next is John Decker from the great city of Huntington, and is a Huntington County commissioner.

Mr. **Decker**. Thank you, Senator Quayle and staff, for the opportunity to speak here today.

Since taking office as a commissioner in Huntington County in January 1985, our board of commissioners has worked closely as local elected officials, with the Fort Wayne Area Job Training Program.

With the opening of two positions on the PIC council, we have had the opportunity to make appointments to this, and also had the opportunity to participate in the selection of a new county coordinator for the Huntington County Job Training Program.

In our selection on the new coordinator for the Huntington County Job Training Coordinator Program, we interviewed the potential candidates, and made a recommendation to the Fort Wayne Area Association, who acted on it.

One thing of concern to me was on the first appointment to the PIC council. It took almost 2 months for the Governor to give his approval to our candidate, and I feel that this is entirely too long, when we have someone who is willing to volunteer his time, to go to work, and then it takes 2 months to get them approved.

With the involvement of the private sector, via the private industry council, I feel that the decisionmaking related to the operation of the program takes on a more businesslike environment, and it will take into consideration the needs and concerns of business and industry in the local area.

In our own area, in Huntington, the Indiana Employment Service will be opening a new office in the same building that houses our Huntington County Job Training Program. With the closeness of this office, we can increase the coordination between the two. I feel that the office will continue to succeed, and be of greater service to its clients.

I also believe that the JTPA will continue to succeed as long as there is a meaningful role for business, industry, and local elected officials, and their decisionmaking authority is not eroded.

Thank you for the opportunity to testify.

[The prepared statement of Mr. Decker follows:]

John H. Decker

Huntington County Commissioner

August 7, 1985

Since joining the Board of Commissioners of Huntington County in January, 1985 we have worked closely with the Fort Wayne Area Job Training Program. The Board of Commissioners has had the responsibility of appointing two Private Industry Council (P.I.C.) Board members and also participated in the selection of a new coordinator for the Huntington County Job Training Program. One thing of concern to me was the time delay on the acceptance of our first appointment to the Private Industry Council. This appointment took approximately two months to be approved by the governor.

The Job Training Partnership Act has removed the training of individuals from the class room setting and has placed them in the hands of those that can do the best job and that is business and industry itself. Programs such as the On-The-Job-Training (O.J.T.) Program ensure that employers are being reimbursed for the time required to train J.T.P.A. clients. Since its inception our county has worked with 39 different employers. Their involvement at this level allows them to customize the persons training and therefore resulting in a very high interest in hiring the individual as a permanent employee of their company. The placement rates that are resulting from this "partnership" are definitely a result of the recognition of the private sector business people becoming involved in the training of disadvantaged J.T.P.A. clients.

With the involvement of the private sector, via the Private Industry Council, decision making related to the operation of the program takes on a more business like enviroment and takes into consideration those needs and concerns of area industry and business.

In the near future the Indiana Employment Service will open an office in the same building that the Huntington County Job Training Program is located. With the closeness of this service and increased coordination between the two offices the H.C.J.T.P. will continue to grow and be of greater service to its clients.

The J.T.P.A. will continue to succeed as long as there is a meaningful role for business, local elected officials and community support and their decision making authority is not eroded.

Thank you for allowing me to testify.

Senator QUAYLE. Thank you very much.

Next we will hear from Allen County, the chairman for the local elected officials for the Northeast Indiana service delivery area, and an Allen County Commissioner, Dick Ellenwood.

Mr. ELLENWOOD. Thank you, Senator Quayle. I have here my testimony in writing.

Senator QUAYLE. That is fine. Hand it to the reporter.

Mr. ELLENWOOD. OK.

I am one of the oldtimers here. I was under a program, and I cannot think of the name of it, prior to CETA.

Senator QUAYLE. The old Manpower Act?

Mr. ELLENWOOD. I mean back to 1969.

Senator QUAYLE. The Manpower Act.

Mr. ELLENWOOD. That is right. I watched that go along the wayside.

The CETA Program came in to do a real good job, or tried to do a job. I do not know what happened, how it was written, to do the job, but it did not fulfill the needs of the people that needed training.

I was so happy when you came forth, and I believe it was Mr. Kennedy and you who were the sponsor of this. I think it is very well written.

I am sure that you kow that things can be improved, and that is why you are having these hearings.

Our group here in Northeast Indiana is very dedicated to this Job Training Act

The Commissioner's job is to appoint very good PIC members. I think that we have done that in this area.

I have to commend Mr. Jack Schrey. We all know his background at Magnavox. A very good leader. I think we have to give him a lot of credit and his team, that got this particular Job Training Act going good in Northeastern Indiana.

Our people that are on the payroll, who do the footwork, are very dedicated people. We are close to them. They contact us constantly. The PIC members, like Mr. Burtnett, I know, knows four or five times more on this than I do. They are very close with this.

So the Northeast Indiana Job Training Program I would like to continue, to continue with good programs. We would not like to see a cut, at least in Northeastern Indiana. We are doing a good job. I think that with our testimony here, and you know our background here, you are our Senator here, that you will continue to fight for this program so that it can do a much better job than it is doing.

We also have a job as commissioner to have about six trustee hearings a week. I have been very surprised that a lot of these people who still need some help are in the training program. We had a couple the other day who hoped that it would continue, and they hoped to be placed.

So, as far as I am concerned, as an elected official, the program is going to be run good throughout the country, if they picked good PIC members. Elected officials cannot do the job themselves. They must be dedicated private industry council members.

That is all I have to say.

[The prepared statement of Mr. Ellenwood follows:]

EMPLOYMENT AND PRODUCTIVITY SUBCOMMITTEE
U.S. SENATE LABOR AND HUMAN RESOURCES COMMITTEE
Fort Wayne, Indiana
August 7, 1985

TESTIMONY BY:
Richard M. Ellenwood
Allen County Commissioner
Chief Elected Official, Northeast Indiana SDA

Thank you for the opportunity to offer the following observations regarding the Job Training Partnership Act (JTPA). I come before you as Chairman of the Local Elected Officials which in our service delivery is comprised of 24 County Commissioners and 9 Mayors. While individuals from the private sector have assumed a major position in local job training efforts, elected officials are still involved in several key areas. We play a pivotal role in recruiting persons from all segments of the community who are interested in becoming members of the Northeast Indiana Private Industry Council. To date, I have been pleased with our nominees, particularly Jack Schrey --- former president and chairman of the board at Magnavox --- who has served as PIC chair for the initial two years. The start up of any program or business is always a critical period, and Jack has provided strong leadership for the PIC board and job training staff members. Our continuing role, therefore, is to provide suitable persons to serve on the Private Industry Council.

As you know, the Act mandates a public/private partnership, but allows local actors to decide the terms of the relationship.

In northeast Indiana, elected officials decided amongst themselves that the City of Fort Wayne should administer the job training program on a daily basis, since that entity provided capable leadership for the CETA program. Eventually, the City of Fort Wayne became the Administrative Entity while the Northeast Indiana Private Industry Council was designated as Grant Recipient.

Elected Officials felt strongly about the availability of jobtraining services in each of our eight counties as opposed to other methods of service delivery. Today, each county has such an office. We also agreed that training funds would be allocated on a fair share formula based on the number of individuals eligible for service. Accordingly, our Title IIA and IIB funds are so allocated.

Senator Quayle, my concern is that this basic organizational structure is threatened if an increase in funds is not considered. As the national funding level for JTPA has remained constant during Program Years 84 and 85, we have witnessed a cut in funds and an increase in real costs on the local level.

As we continue to witness economic growth in our part of the state, now is not the time to impede that progress. If JTPA is truly a tool for private sector expansion, additional funds for a program that has demonstrated its cost effectiveness should be approved.

Each time a person aided by JTPA leaves local welfare of food stamp roles, elected officials such as myself can then redirect local tax dollars on other community needs. JTPA is not a handout, it's not a social service agency. It works for everyone.

I am proud to be a part of this program.

Thank you.

Senator QUAYLE. Thank you very much, Commissioner Ellenwood.

Next we will hear from the boss, so to speak, the chairman of the PIC Council, a very well-known citizen of this community, a former Chairman of the Board of Magnavox, Mr. Jack Schrey.

Welcome, and you can proceed.

Mr. SCHREY. Thank you, Senator Quayle. It is a privilege to be here and say a few words with regard to Northeast Indiana PIC.

Fundamentally, I, and I speak for my associates, am generally satisfied with the results we have been able to achieve in northeast Indiana. I think part of that relates obviously to the selection process which has been alluded to.

Not only private industry has been involved, but also the educational sector, and the labor sector. With that mixture and dedicated people, we could expect to receive and achieve in PIC and in conjunction with the elected officials, a better result than you got with CETA, and we have.

I feel we are peculiar in northeast Indiana, and you will get more of that in detail, with the fact that we have made an emphasis to take care of not only new industries within the area, of which there are some 95, but also have made an effort to provide aid and assistance to local firms and, in turn, the resultant employees that the employers train and hire.

We have achieved our performance goals, both in terms of cost per new employee, per number of people who have moved into new jobs, and the average wage per job.

You always say that it could be better. I would think that it could be better. I think you and I have discussed it before, the fact that I am not really sure that we get to the people who really need it more than others. There is a natural tendency with our performance goals, to do what is commonly known as creaming. I must admit that there is some creaming.

I am not sure how we can get to the truly underprivileged. We have tried. We have worked in conjunction with the Wayne Township trustees. We have worked in conjunction with the welfare people in achieving and getting participants from those underprivileged areas with some degree of success. Maybe we could set aside specific funds in this desire for these specific people, recognizing the fact that you are not going to get the results that you get with the creaming effect.

Fundamentally, I do not think that you ought to change the laws significantly. Maybe the administration is the answer. I think the 15-percent limitation with regard to administration is tough. That is fine. You are putting money where it should be.

I think the emphasis on youth and the rest of the people is sound. When I say the rest of the people, I mean the older and the handicapped. You will get further comments on that, as you have various other groups here today.

In any event, we should and could make some modifications in the program, to make it perhaps more ideal. It will never be perfect. You are never going to satisfy all of the people. I am sure that you have found that in your tenure in the U.S. Congress.

[Information supplied follows:]

JACK W. SCHREY MANAGEMENT CONSULTANT • 1315 DIRECTORS ROW • FORT WAYNE, INDIANA 46808 • (219)432-8624

July 26, 1985

Labor & Human Resources Committee
Employment Subcommittee
SD428 Senate Office Building
Washington, D. C. 20510

Attention: Renee Coe

Gentlemen:

I asked that my staff prepare information which I would use in my testimony before Senator Quayle's JTPA Oversight Hearing. The attached I presented in this regard. Obviously, there will be further details, but this this should be sufficient for your needs.

Very truly yours,

Jack Schrey

Jack W. Schrey, Chairman
Northeast Indiana Private
Industry Council

FORT WAYNE AREA
JOB TRAINING
PROGRAM

NORTHEAST INDIANA
PRIVATE INDUSTRY
COUNCIL, INC.

TO: Jack Schrey

FROM: Steve Corona

DATE: July 26, 1985

Issues to consider for your written and oral testimony before Senator Quayle JTPA Overisght Hearing:

1. Funding

Title II-A funding should at least keep pace with inflation.

2. Youth Funds

Too many dollars for a population group which only spans 16-21. In our particular service delivery area, where we are involved in economic development, incoming employers prefer an older, seasoned work force. They'd rather have the parents of the youth we're trying to serve. 59% of our allocated funds - the combined IIA/IIB (Summer) dollar amount - must be spent on individuals who cannot be older than 21 years of age.

3. Greater Involvement of Department of Labor

I agree with Senator Quayle's position that we shouldn't tamper with the law, but do think that the Department of Labor should provide greater regulatory guidance to governors to clear up ambiguities on the interpretation of the Act.

4. Flexibility to Assist Youth

The regulations should be changed to allow us to work with youth living at home or with friends and/or relatives. Currently, family or household income determines program eligibility. Thus, if an unemployed youth/young adult living with others who are earning income, he/she is not eligible. They could be eligible if regulations would allow us to consider the young person as a family of one.

203 West Wayne Street, Fort Wayne, Indiana 46802 • 219/426-4740

An Equal Opportunity Employer

5. Praise and Support of Economic Development Activities

Job training must be paired with job creation which we call economic development. Investing in training while not assisting in expanding job opportunities is not sound. Our program - IND - is a clear example of our local partnership of those two activities.

I have included material from several sources in reference to testimony made earlier by other individuals. There may be items within this material you may wish to include. Please call if I can help.

Steve Corona, Director

Senator QUAYLE. Very difficult to do. Almost impossible.

Mr. Schrey, I wonder if you might comment on the recruitment that you and the public officials here have been able to obtain in getting some of your colleagues in the private sector to give their time to serve on the PIC Council?

Mr. SCHREY. It is a bit amazing to me. We have 33 members. For awhile we had meetings every week and we used to have an average attendance of 25. All of which is for free, no payment. In fact, it cost them money to come from Portland and Angola, and Auburn, and we did not even furnish them breakfast. It was absolutely amazing in the fact that these people would spend their time in an effort to accomplish something which probably is an excellent idea for the community.

Senator QUAYLE. You got 25 out of 33?

Mr. SCHREY. Out of 33.

Senator QUAYLE. That is excellent. That is one of the things that we have throughout the State. The reason that this program is working is that you have good capable people from the private sector, who are willing to give of their free time. Those of us in public life, you expect that we are involved in things like this, commissioners, Senators, mayors and councilmen. We asked for this job to be in public service.

What we have found is that the private sector response has really been overwhelming, people like yourself and Mr. Burtnett, to take the time out. This is all volunteer. You do not get paid 1 cent for all this time put in.

Mr. DECKER. When we made our first appointment back in February, we made a public announcement, and we had five people apply for the position who were interested and wanted to donate their time.

Senator QUAYLE. That is just the opposite response we had with CETA. We could not get people from the private sector to serve. They said, "I am just not going to get involved with that private program because it wasn't working."

Mr. Burtnett, you brought up a situation with the emergence of the Employment Security at the State level.

Would you expand on that? I think I know what you are saying. I wonder if you would expand a little bit on that?

Mr. **Burtnett**. Well, if you read the articles that I have been reading, it appears that Lieutenant Governor Mutz has put his arm around the Employment Security Division as a partner with JTPA. I guess I do not understand the relationship. When you read all the news accounts, it appears that they are emerging as a dominant factor in the program itself, whether it be as a partner, or whatever the relationship is, and I do not think it has really been clearly identified.

Again I come back to the legislation. It is very clear that it is the Private Industry Council, and the local elected officials, that it is our responsibility across the State. If, in fact, they are going to have some sort of control, or some sort of relationship that is going to be established between JTPA and ES, which seems like a natural, then we have got to have that oversight there.

Senator **Quayle**. It is a natural because Employment Security and the training programs, and vocational education, all are very compatible with what they are trying to achieve. They are trying to give skills and training aptitudes to young people, dislocated workers, adults. And I was just curious because you mentioned that. I think there is a way of trying to get the consolidation and coordination, which I would encourage.

From your comments, you lead me to believe that perhaps the communication and coordination needs to be better understood at the local level. Is that it?

Mr. **Burtnett**. If you want my frank opinion?

Senator **Quayle**. Please.

Mr. **Burtnett**. My frank opinion is that it is not very good at all, as far as our SDA is concerned, the cooperation and coordination with Employment Security.

I have got specific examples, and that is really not important. But from what I see and what I perceive, when JTPA was initiated, they sent us 3½ feet of paperwork to wade through. Now, are we moving into another area where another bureaucratic maze is going to start sending me another 3½ feet of papers? I am not ready for that. In fact, I do not want any part of it.

Senator **Quayle**. I do not either.

Mr. **Burtnett**. That is my concern, and that is why I raise it. I see it as a natural, and I agree with you that it is a natural. But before we get to the natural place, we have got to have some understanding between JTPA and ES as to who is the boss. That is essentially what I am saying.

Senator **Quayle**. We are going to have some ES people here. As a matter of fact, the next person here is the district director. I cannot wait to hear from him. He can tell us all about it.

OK, gentlemen, thank you very much. Keep up the good work. You have an award winning PIC Council here, and I know you are proud of it.

Next will be the panel of representatives of Economic Development, Related Programs, Business and Labor.

Bradt Altevogt, who is the district director of the Fort Wayne, IN, Employment Security Division.

Dave Cummings, Kenneth Gibson, Allen Graber, Richard Peck, Stephanie Ross, Lincoln Schrock, and Max Updike.

First on my list if Brad Altevogt, who is the district director of the Fort Wayne, IN, Employment Security Division.

Welcome, and proceed at your pleasure.

STATEMENTS OF BRAD A. ALTEVOGT, DISTRICT DIRECTOR, FORT WAYNE, IN, EMPLOYMENT SECURITY DIVISION, FORT WAYNE, IN; DAVID CUMMINGS, PIC MEMBER, ROI SYSTEMS, GENEVA, IN; KENNETH E. GIBSON, STATE DIRECTOR, BUREAU OF APPRENTICESHIP AND TRAINING, INDIANAPOLIS, IN; STEPHANIE ROSS, PIC MEMBER, AREA DIRECTOR, INDIANA REHABILITATION SERVICES, FORT WAYNE, IN; LINCOLN SHROCK, COORDINATOR, INDIANA NORTHEAST DEVELOPMENT, FORT WAYNE, IN; AND MAX UPDIKE, PIC MEMBER, DIRECTOR OF FEDERAL PROGRAMS, FORT WAYNE COMMUNITY SCHOOLS, FORT WAYNE, IN

Mr. ALTEVOGT. I would like to thank you for the opportunity to testify regarding my views on the status of JTPA in northeast Indiana.

As district director for the Indiana Employment Security Division, I am responsible for the administration of nine local offices that fall within four JTPA service delivery areas.

One of our program priorities over the past 2 years has been to improve the coordinated working relationship we have with the private industry councils and the JTPA service providers.

As an agency, we have taken some very major steps to create an organizational structure and a working environment that are conducive to improved program coordination on a local level.

We have created a statewide structure of five districts, each headed by a district director, who resides and works in that district.

The geographical areas of our districts are consistent with those of the JTPA service delivery areas. This organizational structure allows us to make program management decisions in the field, where program services are actually delivered, as opposed to some central location.

The long history of Federal employment and training programs created a number of different systems and subsystems for both planning and delivering employment training services.

Many of these systems and subsystems have developed as a response to the Federal tendency to address program problem areas by increasing the centralization of the system, and making programs more categorical in nature.

JTPA, on the other hand, represents a fairly major departure from the historical approach to employment and training.

In looking back over the first 2 years of JTPA in my district, I can see a number of fairly major improvements that have been made within the employment training system. I believe that very positive steps have been made in increasing coordination within the system.

As a result, I believe that the overall quality of service that is provided to both employers and client groups has improved.

In the overall history of Federal employment and training, I believe that 2 years is a very short period of time. I think in this short period of time, we have made some very major improvements.

In each of the SDA's within my district, there are a number of specific examples of improved and increased coordination between ES and JTPA service providers. These special program arrangements demonstrate that there is a significant increase in the level of cooperation and coordination within the employment and training system. In fact, I believe, districtwide, within my district, that the coordination between those two factors is, in fact, unprecedented, and 2 or 3 years ago, some of those arrangements would have been unheard of in terms of the things that we do on a daily basis on the local level.

JTPA allows for local flexibility, and that is conducive to coordination on the local level. Local decisionmaking authority and the latitude to try new and different approaches to employment and training have helped to create an environment in which the quality of services can be improved upon. I believe that the basic direction and approach of JTPA is working quite effectively, and I think that it has taken some time to get some momentum established, but I think we have done that. There is no doubt that there are some areas that we need to continue to work on, to improve, regarding coordination. I think we need to give ourselves credit for the improvements that we have made in really a fairly short period of time.

Thank you.

[The prepared statement of Mr. Altevogt follows:]

TESTIMONY OF BRAD A. ALTEVOGT, DISTRICT DIRECTOR, INDIANA EMPLOYMENT SECURITY DIVISION, FORT WAYNE, IN

SENATOR QUAYLE AND MEMBERS OF THE SUBCOMMITTEE:

Thank you for the opportunity to testify regarding the status of the Job Training Partnership Act in northeast Indiana. As District Director for the Indiana Employment Security Division, I am responsible for the administration and operation of nine local offices operating in four JTPA Service Delivery Areas. One of our program priorities over the past two years has been to improve the coordinated working relationship we have with Private Industry Councils and JTPA service providers. Our efforts in this regard have been aimed at reducing unnecessary duplication of services and providing increased exposure to labor market opportunities for JTPA participants.

As an agency, we have taken some very major steps to create an organizational structure and a working environment that are conducive to improved program coordination. We have created a statewide structure of five districts, each headed by a District Director who resides and works in the district. The geographical areas of our districts are consistent with those of the JTPA Service Delivery Areas. This organizational structure allows for program management decisions to be made in the field where program services are actually delivered. This decentralized management and decision-making structure allows us to be more responsive on the local level to the needs of the business community, the client community, and other employment and training partnership agencies. This structure also allows us to tailor our programs to the economic and labor market conditions that are unique to local areas.

One of the primary goals of the Job Training Partnership Act was to improve the overall coordination within the employment and training arena so that employment and training needs could be addressed in the most productive and effective manner possible. In the early stages of JTPA implementation, attempts to increase and improve coordination were sometimes painful, confusing, and very time consuming. In addition, the formal inclusion of the private business community into the decision-making structure of the employment and training system led to additional questions and issues regarding roles, responsibilities, and relationships. The introduction of new decision-makers into the system also had implications in terms of educating and training the individuals and groups who were new to the employment and training arena.

The long history of federal employment and training programs had created many systems and subsystems for planning and delivering services. Many of these systems and subsystems had developed as a response to the federal tendency to address program problem areas by increasing the centralization of the system and making programs more categorical in nature.

The Job Training Partnership Act represented a major departure from the historical approach to employment and training. However, it became obvious that the system would not be changed overnight. Many people involved with employment and training grew very impatient during the initial stages of implementation of the new legislation. In looking back over the first two years of JTPA in my district, I can see a number of very major improvements that have been made in the system. Very positive steps have been made in increasing coordination and communication within the system. As a result, I believe that the quality of services provided to both employers and client groups has improved significantly. In the overall history of federal employment and training, two years is a very short period of time. In this short period of time, I believe that we have made very significant progress. There are some areas that we need to continue to improve upon, but we should not lose sight of the fact that we have taken major steps in improving our abilities to deliver efficient and effective services.

In each of the Service Delivery Areas within my district, there are specific examples of the improved and increased communication and coordination between the Employment Service and JTPA service providers. I would like to briefly outline some of the significant steps that have been taken to enhance the quality of services of the overall employment and training system in the Northeast District of Indiana.

NORTHEAST INDIANA SERVICE DELIVERY AREA

This SDA has one of the most dynamic and expanding economies in the state. In this type of an environment, it is imperative that the employment and training system be capable of quickly responding to the changing needs of the labor market.

The Employment Service has close working relationships with the Fort Wayne Area Job Training program in all eight counties of the SDA. However, special program coordination arrangements have been made in Noble, Steuben, and Huntington Counties. In Noble and Steuben Counties, the Employment Service assigns staff members to work in the JTPA offices on a part-time basis. While in the JTPA offices, the Employment Service staff work with JTPA applicants and participants to assure that they are properly registered for and receiving Employment Service job placement services to supplement the services they are receiving through JTPA. In this manner, the job placement opportunities for JTPA clients are greatly enhanced. In Huntington, Employment Service staff share office space with JTPA staff on a full-time basis. This arrangement was recently implemented to allow for the provision of all employment and training services at one location in Huntington County. It is our belief that through this approach, we will develop a service delivery system which is more efficient for both employers and clients. I feel very confident that the Huntington program will become a model program for ES/JTPA coordination.

MICHIANA SERVICE DELIVERY AREA

In South Bend, four JTPA staff members are assigned to work in the Indiana Employment Security Division office on a full-time basis. These staff members specialize in the area of job placement, and are responsible for moving JTPA participants from the program into the unsubsidized labor force. The JTPA staff work in the Employment Service section of the local office, and function as part of the Employment Service placement team. In addition to the placement work done in the office, the JTPA and Employment Service staff act as representatives for both agencies when working with employers. This working arrangement reduces duplication in placement services, increases the number of job opportunities to which JTPA participants are exposed, simplifies the recruitment and placement process for employers, and offers more efficient services to the client population.

NORTHERN INDIANA SERVICE DELIVERY AREA

The Job Center in Warsaw is truly a model program. Located in one facility, with a common reception area, a common telephone system, and shared meeting rooms, the Job Center includes all local services provided by the Employment Service, JTPA, and Indiana Rehabilitation Services, as well as the job placement services provided by the Cardinal Center. The staff members from each of the represented agencies work as a team. With this arrangement, there is virtually no duplication of services, clients do not get lost in the system, and programs which require inter-agency cooperation are handled as a matter of normal routine. The Job Center in Warsaw represents the optimum in inter-agency cooperation.

NORTH CENTRAL INDIANA SERVICE DELIVERY AREA

In this SDA, the JTPA agency, Employment and Training Consortium, Incorporated, contracts with the Employment Service for the provision of job placement services for JTPA participants. The JTPA agency pays for five Employment Service Placement Counselor positions. These professional positions are dedicated to providing specialized placement services for JTPA participants who are ready to enter the labor market. Essentially, this arrangement involves the sharing of job placement staff and the pooling of agency resources for the purpose of placing JTPA participants into unsubsidized employment. A new program year contract has recently been finalized which maintains and improves upon this arrangement.

These special program arrangements demonstrate that there is indeed a significant increase in the level of communication, cooperation, and coordination taking place in the employment and training system. The quality of coordination within my district, in fact, is unprecedented. Some of the projects that have been developed would have been unheard of just two years ago.

While it aims to improve coordination, the Job Training Partnership Act also allows for the local flexibility that is conducive to coordination. Local decision-making authority and the latitude to try new and different approaches to employment and training have helped to create an environment in which the quality of services can be improved upon. The basic direction and approach of the Job Training Partnership Act seems to be working quite effectively. The problems we have experienced with the implementation of JTPA may best be characterized as growing pains, rather than systemic problems.

The Job Training Partnership Act is working well. Its direction and momentum seem to now be firmly established. Any changes needed in the legislation should be on the order of fine tuning the system. I do not believe that any major changes are needed at this time.

Thank you for the opportunity to share my thoughts on JTPA with you.

Senator QUAYLE. Next is Mr. Dave Cummings, who is a PIC member, with ROI Systems in Geneva.

Mr. CUMMINGS. Thank you, Senator.

I would like to preface my comments that even though I am a PIC member, my comments today are from my own professional background as a professional trainer, and are geared toward the legislation and not anything with the local PIC or its staff or programs.

Senator QUAYLE. Fair enough.

Mr. CUMMINGS. My purpose is a concern over the quality of actual training that is being conducted through the Job Training Partnership Act.

The law, because of the performance standard on job placement, emphasizes employment. While that is a good goal, and I support it, and I think that should be part of the standard, getting people jobs does not necessarily mean that they are going to receive quality training.

Most companies in the United States, in fact, do very little in terms of formal structured on-the-job training. I think the Job Training Partnership Act can be an influence in encouraging more formal structured training on the job. This will not only help increase long-term employment, because of better skills, but it will also help increase productivity within the United States as well.

PIC's and their staffs are accountable for the performance standards in placing people in jobs. It is hard for them to take the time needed to do good formal needs assessments on actual training that needs to take place, actually seeing that new programs are needed beyond the traditional forms of training are designed and developed. Currently this is not being taken, because of the overemphasis on the job placement part. There needs to be more efforts made to measure the quality of the training: to see that we are getting good quality training, and the results. At the same time I think this will help reduce the creaming that seems to be coming, from the standpoint of identifying those people for different jobs a lot better than we are doing now. I think it will also help increase the partnership between the private sector, the community based organizations, and the State agencies that are all involved in providing training services.

I think we can still get a lot of people jobs through formal training. I think in the long run maybe more jobs, because those people will be better skilled, and have increased productivity, which will increase business, and create more jobs in the longer range.

I do feel that the job Training Partnership Act overall is better than the CETA program. I think it has a good base to start from. I just feel with more emphasis on tracking the training, making sure that there are quality programs, and doing good formal needs assessment, will take a good program and make it much better than the way it is now.

Thank you.

[The prepared statement of Mr. Cummings follows:]

STATEMENT BY DAVE CUMMINGS

Testimony - JTPA Hearings
8/7/85 - Fort Wayne

This testimony is based on my position as a training consultant and small business owner. The comments are directed towards JTPA legislation and not NIPIC, its staff or its programs.

Training is one of the most misused resources in the U.S. Very few formal studies have been conducted to validate the costs and results of training. Those that have been done indicate $40 billion to $100 billion are spent on training in the U.S. per year. Yet, 80% of these costs either do not appear on any budget or the programs are not held accountable for results. Costs most often tracked include:

Wages/benefits of trainees during training
Reduced productivity during training
Cost of training when training was not needed
Cost of longer than needed training periods
Allocation of overhead to training
Opportunity costs of not achieving measurable results

Results often not achieved include reduced scrap, improved morale, reduced downtime due to employee error, improved communications, better safety records; and decreased supervisory time. Many JTPA programs are missing out on these benefits too.

The emphasis of JTPA has been on-the-job training (OJT). Increasing employment is a worthy goal. However, finding jobs does not necessarily mean formal training will result. Most companies do not have structured, formal OJT programs. Traditionally most employees learn their job through the frustration of trial and error rather than by formal training. JTPA has done little to change this trend. Thus, JTPA funds are more a subsidy to business for hiring than being used for formal training. Also, the lack of formal training tends to lead to "creaming" and neglects those individuals needing training the most. This does not mean JTPA programs are not good. It does mean that they can be much better.

As long as JTPA's performance standards emphasize only employment, the quality of training participants receive will see little chamge. Local PICs will not feel comfortable taking the time needed to validate training needs or design cost-effective programs. Participants will not develop the skills they will need for long-range employment. Workers will also have difficulty coping with the rapid changes that will be taking place as the economy fluctuates and/or technology advances. More importantly, participants companies will not achieve the productivity-improvements they could realize from formal OJT.

What is missing from JTPA programs is approaching the training and retraining efforts from a systems approach rather than a program approach. Just as engineering, accounting, and data processing have accepted practice principles, so does training. These include needs assessment, design and development, pilot, implementation, and measurement. The number of trainees or training hours is not as important as measureable results. This can only result from quality training not just job placement.

Redirecting JTPA philosophy can result in

Audit trails to measure results of training
Reduced learning curves
More qualified trainers
Increased worker skills and competencies
More effective use of taxpayers' money

Business using JTPA should be at least encouraged, if not required, to structure their OJT programs. More professional trainers need to have input too, especially, those from the private sector. The Technical and Skills Division of the American Society of Training and Development can provide FREE assistance to PICs across the county. For further information contact:

Eileen West
ASTD
Box 1443
Alexandria, VA 22313
(703) 683-8179

One other area of the law needs reviewed - its costing criteria. Under CETA, trainer costs were administrative costs; under JTPA these costs are training costs. As a result, JTPA programs are reporting more money going to training instead of administration. They are not comparing "apples to apples". This is misleading to say the least.

Conclusion

It is not practical to cover all the specifics of an effective training system in this hearing or in a written statement. Hopefully, more will be done to encourage quality training. Formal efforts need to be made on a Federal level to investigate the potential of following a more systematic approach to funded training programs.

If the systematic approach to training is followed, increased employment will still result. In addition, workers will be better trained to keep pace with future needs. But more importantly, U.S. productivity will increase - resulting in even more jobs.

Dave Cummings
ROI Systems
P.O. Box 27
Geneva, IN 46740
(219) 368-9353

**To help clarify my position, handouts from a recent presentation at ReTrain America '85 on the "Economics of Training" is attached.

Distribution of Training Costs

	Development	Delivery	Trainee
Now	1¢	9¢	90¢
Could Be	5¢	20¢	55¢

HOW?

TYPICAL TRAINING COSTS REPORTED

Tuition .
Seminar Fees
Materials
Administration

TRAINING COSTS NOT REPORTED

Travel
Overhead - Facilities, Depreciation, etc.
Trainee Wages and Benefits
Development Time
Reduced Productivity During Training

REASON TECHNICAL TRAINING FAILS

- *Poor information on training effects on job performance*
- *Poor training analysis and development*
- *Lack of standards*
- *Poor organizational structure*
- *Low management expectations*

EFFECTIVE TRAINING

1. TOP MANAGEMENT INVOLVEMENT
2. APPROPRIATE ORGANIZATION/AUTHORITY
3. LINE - TRAINING INTEGRATION
4. TRAINING RECORD & CONTROL SYSTEM
5. LEARNING ASSURANCE - CLASSROOM
6. ENFORCEMENT - DISCIPLINE
7. A PROCESS - NOT AN EXPERIENCE

TRAINING IS A SYSTEM NOT A PROGRAM

Needs Assessment
Design
Development
Pilot
Implement
Measure

DETERMINING VALID TRAINING NEEDS

Performance Appraisals
Reject Reports
Job Descriptions
Legislation
Opinion Survey
Task Analysis

Accident Reports
Machine Downtime Reports
Complaints/Grievances
Policy/Procedure Changes
Mission/Objectives

TYPICAL JOB ANALYSIS QUESTIONS

Who Does What?
How is It Done?
What Knowledge is Required?
What Supplies/Equipment are Used?

Is It Effective?
Is that Efficient?
What Skills are Required?
What Information is Required?

CLARIFY STANDARDS/WORKING CONDITIONS

100% Accuracy

± 2mm

6 letters/hour

5 defects or less

Less than 150 overtime hours

Not exceed safety rules

Without blueprints

Using reference materials

Using ball-peen hammer,
Philips screwdriver, etc.

COURSE DEVELOPMENT

- BY TRAINING PROFESSIONALS

  SUPPORTED BY: ENGINEERING
  TECHNICAL EXPERTS
  SUPERVISION OF USERS

- REVIEWED AND APPROVED BY:

  TRAINING BOARD
  REQUESTING ORGANIZATIONS
  TECHNICAL EXPERTS
  SUPERVISION/TRAINERS/TRAINEES

WHY USE JOB PERFORMANCE AIDS

INFORM WORKER WHAT TO DO
WHEN TO DO IT
HOW TO DO IT

REDUCES THE AMOUNT OF DEPENDENCY ON MEMORY

REINFORCE FORMAL TRAINING

COMPLEX TASKS

Hidden Dangers

TRAINING OPPORTUNITIES TO IMPACT

YOUR BOTTOM LINE

- REDUCE TRAINING TIME
- INCREASE PRODUCTIVITY
- VALID WORK STANDARDS
- IMPROVE COMMUNICATIONS
- EMPLOYEE CERTIFICATION

COMPETENCY - BASED TRAINING

ROI Systems
P.O. Box 27, Geneva, Indiana 46740
Return On Individuals through Training and Development
(219) 368 935
DAVID L. CUMMINGS
MANAGEMENT CONSULTANT

[[DAVE CUMMINGS]]

Dave Cummings is President of ROI Systems, a full service management consulting firm providing needs assessment, consulting services and related tools and workshops. He has built a network of professional consultants to assist industry, business, and individuals meet the challenges of the 1980's.

Dave has personally been involved in the training of over 5,000 individuals. He specializes in human resource management and development, job analysis, career planning and testing, training systems design and development, technical skills training, and Quality Circles. Dave has established a training department, designed operator training, designed training programs for new facility start up and product transfers, and implemented supervisory training and apprenticeship programs. Internal programs were certified by National Council on the Continuing Education Unit (CEU).

Prior to establishing his own company, Dave spent six years as Training Manager for CTS of Berne. Before joining CTS, Dave was Director of the business program at the Adult Learning Center for the Fort Wayne Community Schools.

Dave is currently a member of the Northeast Indiana Private Industry Council, Executive Committee of the Technical Skills Division of American Society of Training and Development, Geneva Chamber of Commerce, Geneva Lions, and Fort Wayne Chapter of ASTD.

Dave has authored a chapter in the Technical Trainer Handbook entitled "Managing Apprenticeship Programs". He has presented sessions at American Society of Training and Development's National Conference and Retraining America 1985.

Dave holds a MA and BA in Business Education and an Associate Degree in Accounting and Business Administration.

Senator QUAYLE. Thank you.

Next is Mr. Kenneth Gibson, the State director of the Bureau of Apprenticeship and Training of Indianapolis, IN

Welcome.

Mr. GIBSON. Thank you, Senator. My name is Kenneth E. Gibson. I am the State director of Indiana for the bureau of apprenticeship and training.

The bureau of apprenticeship and training in Indiana is responsible for the promotion and development of the apprenticeship training system in business and industry in Indiana with both the organized and nonorganized employer sponsors.

We provide continued consulting service and technical assistance to existing program sponsors as requested. We also provide consulting service and technical assistance to business and industry on various types of employee on-the-job training programs. These services are provided in partnership with State and local government agencies, including educational committees, throughout the State. We are also available as consultants to the private industry councils to assist them in reaching the ultimate goal of the Job Training Partnership Act [JTPA], to train low-income, underemployed, and unemployed residents in job skills most needed by employers in Indiana.

Since we are in regular contact with employers and employees of all ages and various stages of work life development, I feel that we are in a position to express concern about the training and employment of people in Indiana.

We all have an understanding of the intent of the Job Training Partnership Act, its assignment of responsibilities, cost percentage formulas, and the definitions to determine participant eligibility but to the individual, whether 16 or 60, the question is where is the job? Academic pursuits offer little hope to these people at the present time and have no employment opportunities. We must begin to service the needs of the people and not the system we have created in the past 25 years. Employment of the individual in a meaningful job, utilizing their job skills and physical abilities in producing personal worth—income. Income is the key to the lock, so we do not need to keep changing the lock.

The employment picture in Indiana has continued to change from manufacturing employment to service employment. The wage patterns have changed as we create a bigger spread between the skilled technical jobs and the unskilled jobs. Most of the people eligible for various Government programs can only be prepared for low pay positions in business and industry under the present system. Because of the new technology and materials applied to all business and industry, the number of permanent entry-level jobs continue to decline. This creates an impossible task for the private industry councils and the service delivery area staff. We must stop attempting to solve the individual's employment problems with short-term classroom training and lectures.

Most of those that we are concerned about require years of nurturing and periodic training to establish and/or maintain an income. I do not say a living income, because many people cannot provide entirely for their needs, but they do want to work. We need to become concerned about helping people, not how many professional staff positions I need to increase my salary, not how much money the program has obligated, not the number of participants processed, nor whether my turf is protected so if the program fails, I can return to my former position or field.

We are dealing with people's lives, not computer data. We need to think about cooperation, coordination, sharing program linkages, in an effort to help people help themselves, whether they be employers, unemployed or underemployed employees.

We must remember that developing and changing attitudes take more than a few months for everyone--young or old. Employers always want to hire young employees with job experience or older employees that do not need training. This is the paradox we are attempting to attack. The improvement we need now is to train, and remember a train is not just an engine, but the linking of many cars loaded with needed goods to be used some place else. That is how we need to approach JTPA--link the needed programs and their assets together, provide sufficient training time to develop the individual to their fullest abilities and capabilities thus meeting the employers' needs for gainful employment. A review of the present statistics, program contracts and accomplishments relating to placements in unsubsidized private sector employment tells the story. If that is not enough, talk to some of the participants about their experiences in the classroom, the type of job training received, and how they were treated as employees. We have employers today who have taken advantage of the unemployed while under contract.

I am not advocating elimination of any title of the act, or canceling of a contract, but reassessing the participants' needs, the employer's needs, and what jobs are available in the State or surrounding States. We might need to assist individuals and families to move to other areas if jobs aren't available in the immediate area.

The potential is available to link various programs together if we are to use our imagination and really want to help in working with others who are in need of assistance.

There are many programs that are in existence at the present time that are not utilized, whether it be training in the military, whether it be training in the schools. We must bring together vocational education, and the employers in the immediate area.

Mr. Chairman, there are many negative things that can be said about the application and operation of any program funded by the Government, but I hope that you will remember the major point, "Program Linking". We have enough programs and staff, but the private industry councils aren't taking the initiative to improve the participant and employer relationships. In my estimation, an excellent program is one in which we help the individual and the community, while spending the same dollar. Employed people pay taxes—private sector employment linked with training accomolishes that goal.

Thank you, Senator Quayle, for this time, for your attention and that of the committee for considering these thoughts.

[The prepared statement of Mr. Gibson follows:]

STATEMENT BY KENNETH E. GIBSON, STATE DIRECTOR, BUREAU OF APPRENTICESHIP AND TRAINING, U.S. DEPARTMENT OF LABOR

Mr. Chairman and members of the Senate Labor Subcommittee on Employment and Productivity, my name is Kenneth E. Gibson and I am the State Director of Indiana for the Bureau of Apprenticeship and Training, U. S. Department of Labor with offices in the major cities in Indiana.

The Bureau of Apprenticeship and Training in Indiana is responsible for the promotion and development of the Apprenticeship training system in business and industry in Indiana with both the organized and non-organized employer sponsors.

We provide continued consulting service and technical assistance to existing program sponsors as requested. We also provide consulting service and technical assistance to business and industry on various types of employee On-the-job Training Programs. These services are provided in partnership with State and local governmental agencies including Educational Committees throughout the State. We are also available as consultants to the Private Industry Councils to assist them in reaching the ultimate goal of the Job Training Partnership Act (JTPA) - to train low-income, underemployed and unemployed residents in job skills most needed by employers in Indiana.

Since we are in regular contact with employers and employees of all ages and various stages of work life development, I feel we are in a position to express concern about the training and employment of people in Indiana.

We, all, have an understanding of the intent of the Job Training Partnership Act, its assignment of responsibilities, cost percentage formulas and definitions to determine participant eligibility but to the individual, whether sixteen or sixty, the question is - where's the job! Academic pursuits offer little hope to these people at the present time and have no employment opportunities. We must begin to service the needs of the people and not the system we have created in the past twenty-five years. Employment of the individual in a meaningful job, utilizing their job skills and physical abilities in producing personal worth - income, is the key to the lock, so quit changing the lock!

The employment picture in Indiana has continued to change from Manufacturing Employment to Service Employment. The wage patterns have changed as we create a bigger spread between skilled/technical jobs and unskilled jobs. Most of the people eligible for various Government programs can only be prepared for low pay positions in business and industry under the present system. Because of the new technology and materials applied to all business and industry the number of permanent entry-level jobs continue to decline. This creates an impossible task for the Private Industry Councils and the Service Delivery Area Staff. We must stop attempting to solve the individual's employment problems with short-term classroom training and lectures. Most of those we are concerned about require years of nurturing and periodic training to establish and/or maintain an income. I didn't say a living income because many people cannot provide entirely for their needs but they do want to work. We need to become concerned about helping people, not how many profession staff positions I need to increase my salary, not how much money the program has obligated, not the number of participants processed, nor whether my turf is protected so if the program fails I can return to my former position or field. We are dealing with people's lives, not computer data. We need to think about cooperation, coordination, sharing program linkages in an effort to help people help themselves, whether they be employers, unemployed or under-employed employees. We must remember developing and changing attitudes take more than a few months for everyone - young or old. Employers always want to hire young employees with job experience or older employees that don't need training. This is the paradox we are attempting to attack. The improvement we need now is to TRAIN - and remember a train isn't just an engine but the linking of many cars loaded with needed goods to be used some place else. That's how we need to approach JTPA - link the needed programs and their assets together, provide sufficient training time to develop the individual to their fullest abilities and capabilities thus meeting the employers' needs for gainful employment. A review of the present statistics, program contracts and accomplishments relating to placements in unsubsidized private sector employment tells the story. If that's not enough talk to some of the participants about their experiences in the classroom, the type of job training received and how they are treated as employees. We have employers today who have taken advantage of the unemployed while under contract.

I'm not advocating elimination of any Title of the Act or cancelling of a contract, but reassessing the participants' needs, employers' needs and what jobs are available in the State or surrounding States. We might need to assist individuals and families to move to other areas if jobs aren't available in the immediate area.

The potential is available to link various programs together if we use our imagination and really want to work at helping others who are presently in need of assistance.

First, we need to reconsider the participant selection procedures and move to simplify the eligibility criterion. We could identify unemployment as that which has occurred through no fault of the participant. This would create no barriers because of age, sex, handicap or family situation. We could simplify the procedures and allow program counselors to develop the program cost package necessary to assist the participant in procuring employment. This would help the Service Delivery Area staff to determine how best the individual's needs could be met through effective programming of their limited fiscal resources. We need to screen out those individuals who need long-term assistance or have needs that can best be met by other existing agencies in the community or State. Many participants have come to rely on the system for continued guidance; their cost of placement and likelihoods of success is beyond the program's budgetary and operational limitations.

Secondly, we need to address the youth employment problems, not as a temporary situation, but as a development phase. We must show our youth meaningful need for education or training and create linkage with the employer's needs thus improving the student's attitude toward school and work. This is important because employees' attitudes and job skills must be continually developed as a person matures and the employment requirements of the workplace change.

Young people can be tested and counseled in the educational system to develop the proper self-concept and interest in continuing education after high school to enhance their employment opportunities. They can be prepared to take advantage of those training opportunities available in the private sector: On-the-job training, Educational Tuition Refund Programs and the Apprenticeship Programs. Programs of this nature are covered in Section 2 of Title I of the Job Training Partnership Act, yet we have done very little to coordinate vocational education programs with these employment opportunities in our business and industry. We aren't using our Vocational Education System and our Apprenticeship System to its fullest potential in developing our needed workforce. When we do, we will begin to accomplish the goals of improved quality, increased productivity, thus increasing the Gross National Product which in turn creates the tax revenue necessary to continue the building of our country. Youth are needed to build the future, not to fill temporary jobs.

Thirdly, Private Industry Councils must act as facilitators for not only local private sector programs, but including area economic development. They must assist local business and industry in identifying needs and programs available, facilitate entrepreneurship and serve as a linkage between education, employment and training program agencies and the private sector. They must not overlook any age groups, overcome sex-stereotyping of occupations and provide for people, business and industry to continue their development in the market place.

Fourth, Private Industry Councils should be knowledgeable of the various programs available to help people in developing more positive attitudes about themselves and their relationships with others. The many educational and employer-operated programs do provide the individual with occupational insight and the development of job skills needed in a Career-Ladder System. Many of these programs can provide basic job skills training and when linked with employer-operated training programs lead to skilled/technical level competency. JTPA and Vocational Education Funds can be used to fund various Coop Programs, Pre-apprenticeship Programs, Trainee Programs, Journeyperson Upgrading Programs to assist the interested, qualified individual to start their job skill development or assist the existing worker to learn new or additional skills to remain employable.

We aren't utilizing nor supporting those young people receiving training while serving in the National Guard, military apprenticeship programs and the Job Corps Programs. These programs do provide a pool of people whose interest, abilities and training have been identified and made a matter of record. Many occupations in the military relate to civilian occupations and the job skills used in the private sector but are overlooked by employers. If there were linkages between the military and private sector training, all would benefit from the cost effectiveness plus the improved skilled/technical competency that results through regular use.

Mr. Chairman, there are many negative things that can be said about the application and operation of any program funded by the Government but I hope that you remember my major point "PROGRAM LINKING". We have enough programs and staff but the Private Industry Councils aren't taking the initiative to improve the participant and employer relationships. In my estimation an excellent program is one in which we help the individual and the community while spending the same dollar. Employed people pay taxes - private sector employment linked with training accomplishes that goal.

Thank you, Senator Quayle, for this time, for your attention and that of the Committee for considering these thoughts.

Senator QUAYLE. Thank you very much, Mr. Gibson.

Next is Ms. Stephanie Ross, who is a PIC member, and the area director of the Indiana Rehabilitation Services here in Fort Wayne.

Ms. ROSS. Thank you, Senator, for the opportunity to express some thoughts and concerns.

While the Job Training Partnership Act is a more effective program in provision of training than was its predecessor CETA, I have some concerns.

Though the concept of performance standards is good in terms of required outcomes, the effect of the standards is that people most in need often are not served. To meet the standards, programs must limit the numbers of participants considered "risky." Therefore we have the creaming effect, and the handicapped and the people with poor work histories frequently are not served.

Some populations that are in most need of JTPA services may also be particularly difficult to serve. To meet such needs, more creativity in developing training programs is needed, as on-the-job training programs cannot meet some individuals' training needs. More contracting with community based organizations who have the expertise in serving hard to place populations can improve services to those most in need. Contracting with CBO's should be for assessment training, and placement as appropriate, and where the CBO's have the expertise.

The program's effectiveness thus far in serving those most in need is limited as it seems to have responded more to employers desiring financial assistance, rather than to people needing training. People placed in on-the-job training may meet income criteria, but not really need training. As unemployment decreases, it is hoped that more people in need will be served, though recruitment will be necessary.

Services to the handicapped vary within an SDA with some JTPA offices serving more than others. Establishing quotas or setting aside a percentage of dollars equal to the incidence of handicapped in each SDA, is recommended to assure services to this population. Rewording of the law would be needed for quotas or set-asides.

There is an article in the August 6, 1985, Wall Street Journal regarding wage gaps between handicapped and nonhandicapped workers. The article cites data from a recent study by William Johnson of Syracuse University and James Lambrinos of Union College. For workers in comparable jobs with equal health, education, experience, and seniority, handicapped men earn 15 percent less than their nonhandicapped counterparts, and handicapped women earn 30 percent less than their nonhandicapped counterparts. This data should be considered in improving JTPA services to the handicapped.

Thank you.

Senator QUAYLE. Thank you very much, Ms. Ross.

Next we have Mr. Lincoln Schrock, who is the coordinator of the Indiana Northeast Development here in Fort Wayne.

Mr. SCHROCK. Thank you, Senator. I have previously submitted a written statement and I will attempt to summarize it.

By definition, our group, Indiana Northeast Development, is the economic development arm of the Fort Wayne Area Job Training

Program. We were created in 1982, predating the advent of this legislation. We were created at the unanimous direction of some 100 local economic development officials, in the 9 most northeastern counties of the State. We have survived the transition from CETA to JTPA, I think, primarily because our private industry council here believes very strongly that effective job training has to be linked with economic development activities.

Indeed, our beginning was promoted by the ill effects of national recession, the loss of regional industry, thousands upon thousands of jobs, and the fragmentation of local economic development efforts.

Our mission from day one has remained the same. It is one of aggressively promoting the creation of new industrial jobs throughout northeastern Indiana, whether through the recruitment of new industry, or by assisting the industries we already have.

In that regard, and toward that end, we achieve our purpose through the application and, I think, skillful application of four interrelated marketing strategies.

One of those relates to national advertising. The second of those relates to the conduct of strategic out-of-state industrial prospecting excursions. The third relates to some in State prospecting through activities such as Hoosier Hospitality Day and the conduct of our own version of Hoosier Hospitality Days up at Pokagon State Park. And, fourth, we also have fielded, and this relates more to assisting industries already here, as opposed to recruiting new ones, a marketing opportunities program, for area businesses that are intent upon doing business with Uncle Sam, or prime Government contractors.

We are very proud of that program, in that we have enrolled over 250 area businesses, some 20 of which have over the past 3 years knocked down Government contracts or subcontracts in excess of $70 million. And just within the past 2 weeks, our Congressman, Dan Coats, announced, along with officials from the SBA, that the region had been designated by the Government as a target area for Operation Breakout, which is an attempt on the part of the Government, to take $400 to $600 million in defense contracts on an annual basis which heretofore have been proprietary in nature, and direct those on a competitive basis to the businesses that are involved in our Federal marketing program, along with some businesses that are involved in a similar program up at Down River, MI.

These are our programs, Senator. These programs, along with what the network of private sector developers are doing throughout all of our cities and towns, have turned in an amazing record over the past 3 years. It is a record of having recruited no fewer than 100 new manufacturing industries to this area. Industries which collectively represent a combined investment of over $750 million in new plants and facilities and equipment. Industries which in coming have triggered a construction boom here, in that over 5.5 million square feet of new work space is in the works. Best of all, Senator, these industries have brought 9,200 new jobs to the area, which is a rather significant economic impact, as you will note in my written testimony.

In sum, what we have done here through Indiana Northeast Development is take the limited statutory authority for EGS, Employment Generating Services, and an even more limited amount of funds, $200,000 a year, out of a budget approaching $7 million, and we have fashioned an economic development network, a public/private sector partnership, which has literally turned Northeast Indiana from an industrial wasteland, in less than 3 years time, into the most rapidly expanding industrial location, not only in this State, but the entire Midwest.

We are an economic interdependent region here, Senator, and I think our people and our communities have come to the understanding that by joining neighborly hands, and pooling limited resources, we all are going to benefit more in the long run than if we revert to primative, and secretive forms of cutthroat competition in our efforts to try to attract new business to the area.

The only advice that I would offer, and I do so respectfully, Senator, please retain the authority for EGS in the JTPA budget. I think successful job training depends upon economic development upon an expanding labor market.

Thank you.

[The prepared statement of Mr. Schrock follows:]

INDIANA NORTHEAST DEVELOPMENT

P.O. BOX 11099
FORT WAYNE, INDIANA 46855
219/[redacted] 426-7649

LINCOLN S. SCHROCK
Coordinator

July 29, 1985

Honorable Dan Quayle
Labor & Human Resources Committee
Employment Subcommittee
SD428 Senate Office Building
Washington, D. C. 20510

Dear Senator Quayle:

Attached is a narrative history of Indiana Northeast Development which I am submitting in the form of testimony before the JTPA field hearing in Fort Wayne on August 7, 1985.

I have chosen to utilize the enclosed account because it dramatically relates how the Fort Wayne Area Job Training Program has been able to utilize limited statutory authority and funding under JTPA to fashion a nationally acclaimed and highly successful model for the integration of areawide economic development and job training efforts.

You will note in the "track record" portion of the narrative that our network of public and private sector partners in Northeast Indiana has literally turned this 9-county area into the most rapidly expanding industrial location in the entire Midwest. Not an insignificant achievement when you consider that the area was being written off three years ago as a victim of Rust Belt neglect and decay.

I appreciate this opportunity to submit our success story for your consideration and I shall look forward to appearing before your Committee when hearings are convened in Fort Wayne on August 7, 1985.

Sincerely,

Lincoln Schrock

Lincoln Schrock

Enclosures

PROGRAM DESCRIPTION

OVERVIEW

Indiana Northeast Development (IND) is the employment generating arm of the Fort Wayne Area Job Training Program, a federally funded program which derives its statutory authority from the Job Training Partnership Act of 1983 (JTPA). Responsibility for the operational direction of IND and its parent organization is vested in the Northeast Indiana Private Industry Council, Inc. (NIPIC), a 33-member body which strongly adheres to the notion that successful job training must be accompanied by vigorous job development activity.

Now regarded as a national model for the effective linkage of economic development and job training efforts, IND was created in 1982 at the unanimous direction of local economic development officials in each of the nine most northeastern counties of the State (Adams, Allen, De Kalb, Huntington, La Grange, Noble, Steuben, Wells, Whitley). It was against a backdrop of national recession, the loss of regional industry, and the fragmentation of local developmental efforts that IND came into being. By pooling limited resources and joining neighborly hands in the common pursuit of areawide development, local officials understood then, as they do now, that each community is more likely to benefit from a coordinated, cooperative approach to industrial expansion and growth.

From the beginning, IND's mission has remained clearly and sharply in focus - its job is to aggressively promote new jobs throughout Northeast Indiana. Given the economic interdependence of the region and the imperative need to maintain equality of opportunity among the communities involved, there is less concern at IND with where new industry locates as opposed to whether or not it locates. IND's responsibility is to make sure that it happens.

In practice, IND fulfills its mission through the skillful application of four interrelated marketing strategies: 1) national advertising; 2) out-of-state industrial prospecting; 3) in-state industrial prospecting; and, 4) government and industrial marketing. Common to all of these promotional efforts is an emphasis upon federal job training assistance as a primary incentive for new and expanding industry.

Procedurally, once IND has identified and responded to an industrial lead or prospect, that lead is equitably shared with all area economic development officials for purposes of local anaylysis and follow-up. Accordingly, each community has an equal chance to capitalize on IND referrals. The only exception to this well established procedure of identification and referral occurs when IND is explicitly instructed by an industrial client to concentrate site selection activity in a given locale.

Organizationally, IND has become increasingly reliant in its day-to-day operations upon the voluntary cooperation and support of its private sector constituency - that network of approximately 100 community, business, and professional leaders who are specifically charged with the responsibility for economic development within their particular locale or domain.

Both NIPIC and its 7-member IND Steering Committee appreciate the necessity for outside input and consensual rulemaking in the conduct of all IND affairs. Indeed, with a paid staff of only three persons, it is ludicrous to suppose that IND could advance its ambitious program without the full knowledge, backing and support of its private sector constituency.

Further evidence of IND's partnership with agencies outside the job training program may be found in the financial support it has received from a variety of sources including: state and local units of government; area banks, Chambers of Commerce, and utilities; and private foundations. Such contributions to date have exceeded $95,000, a figure closely approximating IND's annual budget. Additionally, it is conservatively estimated that as much as $40,000 in services have been donated to IND by area businesses, primarily in conjunction with an annual industrial conference sponsored by IND.

PROGRAM COMPONENTS

ADVERTISING

Advertising the desirability of Northeast Indiana as a prime industrial location is critical to the attraction of new industry to the area. Industrial site selection has become increasingly competitive and those who fail to effectively merchandize their locale will find new business going elsewhere.

During the past three years, IND has waged a highly visible national advertising campaign to better acquaint corporate decisionmakers with the unique advantages of doing business in Northeast Indiana. Beginning with a nine-page supplement in Business Week magazine in September, 1982, IND's award winning ads have successively appeared in 24 business publications through October, 1984.

To suggest that these ads have been well received is a gross understatement. No fewer than 2,350 inquiries have been received from readers across the country requesting additional information on available industrial opportunities in Northeast Indiana. And at least 250 of these inquiries have proven to be quite serious in the sense that they were initiated by manufacturers actively engaged in a search for new industrial space. Without question, advertising has become the single most important source of fresh industrial leads for IND and its team of local economic developers.

All IND advertising respondents receive a comprehensive (and attractively presented) file of industrial data on site availability, cost comparisons, and available financial incentives. Additionally, all geographically proximate respondents are screened for possible on-site visitation or invitation to IND's annual conference for out-of-state prospects. Once the inquiries are answered and screened, they are then referred, along with any qualifying data on needs and requirements, to each community for local follow-up.

To date, IND has spent $250,000 in advertising. The cost per response has been $100.

OUT-OF-STATE INDUSTRIAL PROSPECTING

There is no more effective means for the development of industrial prospects than to visit with them on their time and turf.

Initially, IND's approach to out-of-state prospecting was one of conducting a large scale search for interested parties within a given metropolitan area. In 1983, for example, nearly 500 businesses were contacted in one city concerning our desire to meet with them. In the end, some 15 industries were visited over a 3-day period by three teams of Northeast Indiana emissaries.

Today, IND's out-of-state prospecting has become a much more refined exercise wherein industries are visited only under the most strategic and selective circumstances. So as to avoid any hint of "raiding," IND will no longer visit an industry without some prior expression of interest on the part of that industry. In short, prospecting has become more responsive and less preemptive.

All out-of-state prospecting is conducted by IND volunteers drawn from the communities in Northeast Indiana. Expenses for such trips are borne by the volunteers themselves.

IN-STATE INUSTRIAL PROSPECTING/HOOSIER HOSPITALITY DAYS

For the past 6 years, the State of Indiana has sponsored an increasingly successful event known as Hoosier Hospitality Days (HHD). Held each year at alternating geographic locations, HHD affords participating Indiana communities an opportunity to showcase their respective virtues before a "captive" audience of visiting industrial prospects.

Guests at HHD are treated to a succession of pinpoint briefings and persuasive testimonial on the profitability of doing business in the Hoosier State. However, it is the exhibition hall, with its multitude of colorful community displays, which remains to focal point for much of the one-on-one dialogue between prospective "buyers and sellers."

For the past 3 years, IND has coordinated and led a delegation of Northeast Indiana communities to HHD. In addition to highlighting Northeast Indiana with an attractive, informative and well managed exhibit, IND helps to direct industrial traffic to the displays of all attending Northeast Indiana communities. Promotional materials, including a regional industrial profile, are disseminated to all guests of the conference and each guest is subsequently invited to attend IND's own variation of HHD at Pokagon State Park.

During the past 3 years, over 100 Indiana cities and towns have gathered at HHD to curry the favor of some 180 visiting industrial prospects. It is a mark of competitive distinction that in a State consisting of 92 counties, our 9 Northeastern counties have accounted for nearly one-fifth of all the exhibits and displays!

IN-STATE INDUSTRIAL PROSPECTING/POKAGON INDUSTRIAL CONFERENCE

The Northeast Indiana Industrial Conference was conceived in 1982 as an indigenous variation on the theme of Hoosier Hospitality Days. Held each year at Pokagon State Park, the conference enables area communities to host their own gathering of out-of-state prospects.

The planning and conduct of the Pokagon Conference is a study in public/private sector cooperation. Funding is secured by donations from over 60 area banks, Chambers and utilities. Favors are obtained from some 50 area businesses. And all of the relevant state, regional and local agencies - including every Northeast Indiana community with an organized economic development program - are involved in the Conference from start to finish.

Prospective guests of the Conference are drawn from a variety of sources, including advertising leads, HHD listings, and referrals from area communities and businesses. Once at the Conference, guests are authoritatively acquainted with the tangible rewards of doing business in Northeast Indiana and they are conducted, either by ground or air, on scripted tours of available industrial sites.

The press is not allowed at Pokagon and attendance at the Conference is otherwise restricted so as to assure confidentiality of the guests. In keeping with the relaxed natural setting of the Park, informality prevails at Pokagon and "the sell," such as it is, remains strictly low-key.

Since its inception, 8,000 out-of-state industries have been invited to attend the Pokagon Conference. To date, IND has hosted 63 of those companies.

MARKETING OPPORTUNITIES PROGRAM

From the beginning, IND has recognized that its primary task of attracting new industry must be supplemented by an aggressive program to aid existing business. Credible marketing depends upon the industrial health and vitality of a region and unless prospects discern that genuine support exists for businesses already located in Northeast Indiana, they will seek out healthier and more supportive environments.

It was in response to these imperatives - and the need to shore up losses incurred during the recession of 1979-82 - that IND initiated a long-term program in 1983 to assist small Northeast Indiana businesses in developing their latent federal marketing potential.

Each year, the federal government acquires more than $400 billion worth of services and supplies through a sprawling network of 30,000 procurement centers and most of this buying activity occurs through a system of competitive bidding which, on the surface, appears to favor small businesses or those located, as we are, in high labor surplus areas.

Notwithstanding these apparent advantages, few Northeast Indiana businesses have until recently enjoyed any appreciable success in competing for the U.S. procurement dollar. The problem has not been a lack of potential suppliers but rather that these would-be suppliers are unfamiliar with the nuances of government sales.

IND's federal marketing program gets to the heart of this problem by providing sustained, one-on-one technical assistance to area businesses interested in government work. A major focal point for participants in the program is IND's well-equipped and highly resourceful Bid Review Center (BRC) where current government solicitations are posted on a daily basis and where professional counseling is available on a moment's notice. The range of cost-free services available through the BRC includes bid ordering instruction, bid preparation support, and assistance in administering contract awards.

In addition to the BRC, participants in the Marketing Opportunities Program have access to a variety of frequent workshops, conferences, and on-site visitations where marketing skills can be sharpened and where potential government and industrial customers may be courted. Interest in these group activities has been high with major procurement conferences typically attracting 200 business participants.

In keeping with IND's inclusive approach to economic development, the door to federal marketing remains open for any interested Northeast Indiana business. Admission requirements are minimal; would-be participants need only submit a contractor survey and capabilities listing from which intelligent bid ordering activity may proceed.

To date, IND has enrolled over 260 businesses in its Marketing Opportunities Program - which is more than one-half of those initially targeted for the program in 1983. The growth of the program is largely attributable to three factors: 1) the availability of professional expertise; 2) the ability to tailor services to meet client needs; and, 3) the capacity to help businesses obtain new customers.

JOB TRAINING PROMOTION AND OJT RECRUITMENT

As the economic development arm of the Fort Wayne Area Job Training Program, IND is responsible for a related marketing activity - that being the identification of prospective work sites for JTPA eligible clients. Toward that end, IND has, for the past 2 years, routinely monitored all new and expanding business in Northeast Indiana for the purpose of facilitating client referrals and effectuating OJT contracts. Over 400 leads, in the new and expanding categories, have been made available to placement officials for follow-up activity. In addition, placement officers have routinely gained access to IND's federal marketing participants and its extensive data files on area business, including a Northeast Indiana Directory of Industry. In short, IND is Northeast Indiana's primary conduit for marketing on-the-job training assistance to area employers.

OTHER ACTIVITY

IND exists as more than a brokering agent or event coordinating bureau. Undergirding all of IND's promotional activity is a strong research component which develops and supplies quality tools for a fiercely competitive trade.

Notable among IND's research activities to date have been the development of an Addy Award-winning Northeast Indiana Industrial Profile; a nine-county Directory of Industry; a Marketing Opportunities Directory; an audio-visual presentation on the quality of life in Northeast Indiana; an audio-visual presentation on industrial development in Northeast Indiana; an audio-visual overview of IND; and a video tape of available industrial parks, sites and buildings located in Northeast Indiana.

Collectively, these marketing tools have enabled IND to provide industrial prospects and client businesses with a broad range of factual data upon which fully informed business decisions can be made.

CONCLUSION

As outlined above, IND's marketing program is one-of-a-kind in the State of Indiana. No other job training program in the State has parlayed its limited potentials for job creation into a dominant force for areawide industrial development.

IND has become the primary spokesman and salesman for all of Northeast Indiana. At the same time, it has fashioned a network of local economic developers who have learned that coordination and cooperation pay off more handsomely than does blind competition.

The communities of Northeast Indiana now understand and appreciate their economic interdependence. They have established a common identity and they are now responding in concert. Perhaps IND's greatest contribution as been one of sparking and sustaining that new found sense of identity, purpose, and mission.

PROGRAM RESULTS/TRACK RECORD

OVERVIEW

IND has been relentless in its pursuit of new business and industry for Northeast Indiana. Over the past 3 years, no fewer than 12,000 industries have been solicited by IND relative to the profitability of doing business in Northeast Indiana. At the same time, nearly 4,000 industrial leads have been cultivated and referred to communities throughout the Service Delivery Area (SDA) for local analysis and follow-up.

Without question, it was the loss of nearly 30,000 area jobs (and 2 major industries) during the 1979-82 recession which triggered such an aggressive drive on the part of IND and its constituent communities. A failure to respond at that point might well have sealed our supposed fate as a victim of rust belt neglect and decay.

Today, Northeast Indiana is by all accounts the most rapidly expanding industrial location in the entire Midwest. Since January, 1983, 85 new manufacturing concerns have located within the 9-county area. At the same time, 95 others have undertaken major expansions in plant facilities and employment.

Taken together, this explosion of new and expanding industry represents a combined capital outlay of $940,000,000 in the construction of 6,650,000 sq. ft. of additional work space where 11,600 people will find gainful employment. Projections indicate that employment will eventually reach a level of 15,300 at these new and expanding worksites - assuming, of course, that market conditions and other variables hold true to form.

Calculations of the economic impact of new job creation in Northeast Indiana are truly imposing. It is conservatively estimated that the 7,700 manufacturing jobs brought by new (as opposed to expanding) industry will in turn lead to: 1) 4,900 new nonmanufacturing jobs; 2) 540 new businesses; 3) 15,600 new residents; 4) $150 million in increased personal income; and 5) $114 million in increased retail sales.

IND does not claim exclusive authorship for the unprecedented wave of new industry which is sweeping Northeast Indiana. Nonetheless, it has been a driving force behind the phenomena and much of the activity does bear a direct relationship to IND's marketing efforts, as noted below.

ADVERTISING

The following IND advertising respondents have, to date, located industrial operations in Northeast Indiana:

- Aggregate Equipment & Supply, Roanoke
  (details unavailable)

- Escan Corp., Ligonier
  $4.6 million investment; 30,000 sq. ft. of construction
  40 employees (250 by 1990)

- Fasson Roll Materials Division, Avery International, Fort Wayne
  $10 million investment; 100,000 sq. ft. of construction
  50 employees (150 by 1988)

- General Electric, Fort Wayne
  $68 million investment; new construction uncertain
  250 employees (note: workers being retrained through $700,000 JTPA grant)

- Guardian Industries, Auburn
  $21 million investment; 280,000 sq. ft. of construction
  200 employees (400 by 1990)

- Hillsdale County Railway Company, Steuben County
  $250,000 investment; 8 miles of new track & spur
  8 employees

- Lectron Products, Hamilton
  $3.5 million investment; 75,000 sq. ft. of construction
  150 employees (600 by 1986)

- Price Communications, Huntington
  acquired FM radio station; other details unknown

- Western Rubber Co., Ligonier
  $950,000 investment; 22,500 sq. ft. of construction
  30 employees (50 projected)

Additionally, the following advertising respondent has announced its intention to expand in Northeast Indiana pending completion of financial arrangements:

- R. J. Tower Corp., Auburn
  $3.9 million investment; 40,000 sq. ft. of construction
  80 employees (150 by 1988)

OUT-OF-STATE INDUSTRIAL PROSPECTING

To date, no industries visited, other than those reported in other categories, have located industrial operations in Northeast Indiana.

IN-STATE INDUSTRIAL PROSPECTING/HOOSIER HOSPITALITY DAYS

The following companies have been recruited by IND at HHD:

- Camshaft Machine Co., Orland
  $3 million investment; 95,000 sq. ft. of construction
  60 employees (90 by 1985)

- Escan Corp., Ligonier
  (see advertising section)

- Halex Co., Hamilton
  $4½ million investment; 76,000 sq. ft. of construction
  135 employees (300 by 1988)

- Michicraft Corp., Ligonier
  $700,000 investment; 30,000 sq. ft. leased
  40 employees (projection unavailable)

- Triton Converting Co., Angola
  $1.2 million investment; 60,000 sq. ft. of construction
  50 employees (projection unavailable)

IN-STATE INDUSTRIAL PROSPECTING/POKAGON INDUSTRIAL CONFERENCE

IND has hosted and recruited the following companies through its annual industrial conference at Pokagon State Park:

- Aggregate Equipment and Supply, Roanoke
  (details unknown)

- Beurmann-Marshall Corp., Angola
  $2.8 million investment; 105,000 sq. ft. of construction
  30 employees (projection unavailable)

- BRC Injected Rubber Products, Inc., Churubusco
  $4.7 million investment; 95,000 sq. ft. acquired
  75 employees (200 by 1986)

- Bostwick Braun Co., Ashley
  $5½ million investment; 275,000 sq. ft. of construction
  105 employees

- Film Fabricators, Inc., Orland
  $561,000 investment; 12,000 sq. ft. of construction
  25 employees (projection unavailable)

- Hillsdale County Railway Company, Steuben County
  (see advertising section)

- Javelin, Inc., Kendallville
  $100,000 investment; 30,000 sq. ft. leased
  50 employees (up from an initial 20)

- La Man Corp., Hamilton
  $1 million investment; 14,000 sq. ft. of construction
  18 employees (60 projected)

Additionally, the Pokagon Conference was instrumental in the recruitment of Contour Plastics, Inc. The company could not find a suitable location in Northeast Indiana but ultimately acquired a site in Madison, Indiana.

MARKETING OPPORTUNITIES PROGRAM

The following Northeast Indiana companies have received contracts or subcontracts through IND's Marketing Opportunities Program:

Company	Amount
Auburn Gear, Auburn	$ 1,000,000
Bhar Inc., Fort Wayne	520,000
Bowmar, Fort Wayne	20,000,000
Cumco, Fort Wayne	100,000
Dana, Fort Wayne	32,000,000
Epco, New Haven	25,000
Eagle-Picher, Grabill	8,200,000
Environs, Fort Wayne	25,000
Envirotemp, Fort Wayne	73,000
G & S Machine, Ossian	13,000
Harris-Kayot, Fort Wayne	3,167,806
Industrial Eng., Fort Wayne	35,000
Kemtune, Fort Wayne	3,493
Norco, Fort Wayne	14,000
Nord Engineering, Roanoke	142,000
Nussbaum Novelty, Berne	2,000
Swager Tower, Fremont	600,000
Systems Eng., Fort Wayne	415,000
Wayne Metal, Markle	3,800,000
	$69,865,299

JOB TRAINING PROMOTION & OJT RECRUITMENT

Since its inception on October 1, 1983, the Fort Wayne Area Job Training Program has executed 1,474 OJT contracts with employers located in Northeast Indiana. Of that number, 919 contracts (or 62.3%) have been consummated with companies recruited by IND.

A further breakdown of IND connected OJT contracts reveals that 792 have been placed with new manufacturing concerns while the remaining 127 have pertained to either non-manufacturing business or established (as opposed to new) manufacturing companies.

Further, of the 439 OJT contracts completed to date, 326 have resulted in permanent private-sector employment for the JTPA clients involved. 253 of those individuals have been hired by manufacturers new to Northeast Indiana while the balance have found jobs with established companies.

With respect to economic impact, it is estimated that the creation of 253 new manufacturing jobs for JTPA eligible clients will, in turn, lead to: 1) 162 new non-manufacturing jobs; 2) 18 new businesses; 3) 511 new residents; 4) $4.9 million in increased personal income; and 5) $3.7 million in increased retail sales.

CONCLUSION

IND's promotional efforts, by way of advertising, in-state prospecting, and federal marketing assistance, have helped to bring over $202 million in new business to Northeast Indiana. At the same time, those efforts have lead to the creation of 1,446 new jobs with 19 new employers who ultimately project a workforce of 2,808.

Given its annual operating budget of approximately $300,000, of which two-thirds is derived from JTPA, there can be little doubt as to either the cost-effectiveness of IND expenditures or to the return on its modest investment in new Northeast Indiana industry. The numbers are there.

IND's cost effectiveness as a regional economic development agency is further - and perhaps immeasurably - enhanced to the degree that its constituent communities need not spend additional dollars in marketing their own particular locale. With the results generated by IND's areawide approach to development, there is little reason for individual communities to mount costly and competing campaigns to bring new industry to their doorstep. Rather, by pooling limited resources and cooperating in a regional effort they can, at the same time, cut their own marketing costs and increase their exposure to industrial prospects.

In the final analysis, perhaps the best evidence for the degree of public/private commitment to IND lies in the fact that today, the cities and towns in Northeast Indiana are routinely sharing industrial leads, one with the other. In a business which more typically features secrecy, territorial prerogative, and cut-throat competition between neighbors, it is truly remarkable to find industrial recruitment proceeding along such cooperative lines in Northeast Indiana.

Other regions throughout the country, including seven job training programs in Indiana, have taken note of the Northeast Indiana model and are now attempting to effectuate a similar approach to economic and human development. The reason for such emulation seems clear. IND works!

NEW NORTHEAST INDIANA INDUSTRY (Mfg & Dst)
1983-1985

	Company	Product Line	Square Feet	Investment	New Jobs
ADAMS COUNTY					
Decatur	**Carnation (84)** **Nappanee, In**	**Feed Distribution**	6,000 (lease)	**NA**	3 (84)
ALLEN COUNTY					
Fort Wayne	**Dana Weatherhead (10/83)** **Cleveland, Oh**	**Corporate Offices**	16,000	$800,000	60 (84)
	Dreyer's Grand Ice Cream **Oakland, Ca (3/85)**	**Ice Cream**	51,243 (acquisition)	$8½ million	25 (85) 100 (proj)
	Dunbar Furniture Co. (4/84) **Berne, In**	**Office Furniture**	322,000 (acquisition)	$3.7 million	100 (84) 200 (87)
	Fasson Roll Materials, **Avery International Co.** **Painsville, Oh (9/83)**	**Adhesive Labels**	100,000	$10 million	50 (84) 150 (88)
	Ferranti Indiana, Inc. **Spencerville, In (83)**	**Gas Pumps**	21,000 (acquisition)	$250,000	9 (83) 20 (85)
	General Motors (7/84) **Detroit, Mi**	**Light Truck Assembly**	2,300,000	$500 million	3,000 (86)
	General Electric (11,83) **Evandale, Oh**	**Aircraft Engine Controls**	**NA**	$68 million	250 (86)
	Harden Industries/ **V & H Electronics** **Zanesville, In (9/83)**	**Electronic Design**	20,000	$350,000	20 (84)
	ITT Aerospace/Optical **New York, NY (7/83)**	**Radios**	143,000	$3.5 million	250 (84) 550 (86)
	Reynolds Alumirum (85) **Richmond, Virginia**	**Distribution**	9,000 (lease)	**NA**	6 (85)
	G T & T Racing Products **Indianapolis, In (4/85)**	**Race Car Chassis Dst** **(March Motor Car, England)**	**NA**	**NA**	**45 (85)**

Monroeville	**DQB, Inc. (1/85)** **Detroit, Mi**	Industrial Brushes	11,000 (lease)	NA	30 (85)
New Haven	**Bhar, Inc. (11/84)** **Fort Wayne, In**	Plastic Molding	20,000	NA	15 (85) 50 (88)
E KALB COUNTY					
Auburn	**Auburn Hardwood Molding** **Waterloo, In (84)**	Hardwood Molding	12,000	$442,000	25 (84) 60 (86)
	Guardian Industries **Northville, Mi (6/84)**	Glass Windshields	280,000	$21 million	200 (85) 400 (90)
	Magnavox (4/84) **Fort Wayne, In**	Auto Ignition Systems	100,000	$15 million	100 (84) 200 (85) 500 (88)
Ashley	**Bostwick-Braun Co.** **Toledo, Oh (1/84)**	Hardware Distribution	275,000	$5½ million	100 (85)
	Parker Hannifin (83) **Cleveland, Oh**	Cylinders	53,000	$3½ million	20 (83)
	T. D. Shea Manufacturing **Troy, Mi (3/84)**	Decorative Plastics	20,000	$625,000	20 (84) 70 (86)
	TPC Canopy (84) **La Otto, In**	Canopys	20,000	$400,000	35 (84)
Butler	**Abros, Inc.** **Toledo, Oh (7/83)**	Steel Fabrication	18,000 (lease)	$500,000	45 (84)
	Butler Assemblies **Kendallville, In (7/84)**	Wiring Harnesses	30,000	NA	100 (85)
	Therma Tru Corp. **Toledo, Oh (12/84)**	Insulated Entry Doors	60,000	$6.15 million	100 (85) 150 (88)
Corunna	**Custom Components** **Kendallville, In (5/84)**	Electrical Components & Assembly	60,000	$2.4 million	200 (84) 270 (87)
Waterloo	**Air-Way Manufacturing Co.** **Olivet, Mi (11/83)**	Hydraulic Fittings	30,000 (lease)	NA	50 (84) 150 (87)

HUNTINGTON COUNTY					
Huntington	CMI-Wheels, Inc. Farmington, Mi (6/83)	Aluminum Wheels	70,000	$8 million	160 (84)
	Eagle-Picher Industries Grabill, In (3/84)	Fiberglass Reinforced Polyester Products	30,000 (acquisition) 15,000	$3½ million	110 (84) 350 (87)
	ERC Corp. (85) (Start Up)	Electronic Communications Equipment/Computer Fire Control Systems	15,000 (Lease)	NA	10 (85)
	Huesing Industries Huntington, In (84)	Machining	-	$450,000	6 (85) 20 (proj)
	Huntington Firebrick (Start Up)	Firebrick	15,000 (lease)	NA	20 (84)
	RMC, Inc. (2/85) Bay City, Mi	Headlight Assemblies	25,152 (lease)	NA	30 (85)
Markle	Gilpin, Inc. Decatur, In (85)	Awnings for RV's	5,000 (lease)	NA	4 (85)
LA GRANGE COUNTY					
Howe	Fawn River Plastics Shipshewana, In (84)	Fiberglass Van Tops	8,000 (lease) 7,000	NA	31 (84) 40 (85)
La Grange	Aztec Wiring (Start Up) (84)	Wiring Harnesses	3,500 (lease)	NA	9 (84)
	Duraflex Seating (Start Up) (83)	Seats for Van Conversion	4,000 (lease)	NA	3 (83) 6 (84)
	Fiber Glass Designs Sturgis, Mi (83)	Fiberglass Products	9,600	$200,000	25 (83) 30 (84)
	Harris-Kayot, Inc. Fort Wayne, In (6/83)	Pontoon Boats	140,000 (lease)	NA	50 (83) 175 (84)

Topeka	Cadillac Frames Boston, Ma (84)	Plastic Picture Frames	20,000 (acquisition)	$175,000	25 (84)
Wolcottville	Wolcottville Products Kendallville, In (8/83)	Wire Assembly	NA	NA	40 (84)
NOBLE COUNTY					
Albion	Parker Hannifin Otsego, Mi (began production, 6/83)	Brass Fittings	40,000	$3 million	50 (84) 150 (88)
Avilla	Avilla Manufacturing Pennsylvania (83)	Wiring Harnesses	10,000 6,000 (lease)	$600,000	55 (84)
	Kitco (10/84) Bluffton, In	Molded Rubber	14,000 (acquisition)	$500,000	25 (85)
	Wirco, Inc. (4/84) Kendallville, In	Heat Treat Equipment	21,200	$500,000	25 (84) 60 (89)
	Zanxx (11/83) Huntertown, In	Auto Components	23,000	$1 million	100 (84)
Brimfield	Roofing Products Internat'l Wawaka, In (10/84)	Rubber Roofing	(acquisition)	NA	50 (85)
Kendallville	All Seasons Industries Markle, In (2/84)	Boats	85,000 (lease)	NA	35 (85)
	Arden Corp. Troy, Mi (83)	Table Cloths, Napkins, Sponge	20,000 (lease)	NA	60 (84) 75 (85)
	Custom Components Kendallville, In (5/83)	Electric Harness Assembly	NA	$4 million	55 (84) 150 (86)
	Colwell General Inc. Minneapolis, Mn (11/84)	Paint Cards	24,000 (lease)	NA	12-50 (85) (fluctuates)
	Javelin, Inc. Sturgis, Mi (83)	Motorcycle Helmets	30,000 (lease)	$100,000	50 (84)
	LOF Plastics Troy, Mi (2/85)	Auto Air Outlet Assembly	60,000	$6.75 million	60 (86) 200 (proj)

Kendallville (continued)	Murray Printing, Div. of Courier Boston, Ma (84)	Printing	60,000 (lease)	NA	50 (85) (fluctuates)
Ligonier	Escan Corp. (9/84) Escanaba, Mi	Hydromounts	30,000 (lease)	$4.6 million	40 (85) 250 (90)
	Michicraft Corp. Big Rapids, Mi (9/84)	Canoes	30,000 (lease)	$700,000	40 (85)
Merriam	Genaco (3/84) Albion, In	Boat Furnishings	(acquisition)	NA	NA
	Noble Wire Products Kendallville, In (9/84)	Auto Ignition Wiring Harnesses	22,500	$1 million (est)	25 (84) 65 (85)
STEUBEN COUNTY					
Angola	Alco Corp. (1,85) Roseville, Mi	Metal Fabrication, Welding, Stamping, Assembly	10,000	$1.2 million (est)	10 (85)
	Beurmann-Marshall Corp. Lansing, Mi (3/85)	Computer Systems Dst, Laser Printing	105,000	$2.75 million	30 (85)
	Fiber-Lite Corp. (84)	Office Sound Dividers	6,000	$75,000	12 (84)
	Industrial Roofing Co. Coldwater, Mi (84)	Warehouse	3,200	$30,000	10 (84)
	Magnavox (9/84) Fort Wayne, In	Electronic Assembly	17,000 (lease)	NA	130 (84)
	Panel Processing Alpena, Mi (6/84)	Hardboard Components	40,000	$1½ million	15 (84) 50 (proj)
	Roppe Rubber Fostoria, Oh (9/84)	Mud Flaps	28,000 (acquisition)	$70,621	30 (85)
	Trans-Guard (8/84) Marshall, Mi	Cargo Security Equipment	7,000 (acquisition)	$500,000	30 (85)
	Triton Converting Co. Detroit, Mi (5/84)	Envelopes & Stationery	60,000	$1.2 million	50 (84)

Fremont	Letica Corp. (11/83) Rochester, Mi	Plastic Pails	100,000	$8 million	40 (84)
	LubeCon (3/85) Fremont, Mi	Industrial Lubricating Equipment	7,000	NA	NA
	Salga, Inc. Ohio (83)	Plastic Molding	40,000	NA	40 (83) 95 (84)
	WheelTek, Inc. Kettering, Oh (8/83)	Cast Aluminum Rims	73,000	$9 million	200 (84)
Hamilton	EMP Corp. Angola, In (began production, 3/83)	Electrical Components	12,000	$250,000	50 (84)
	Halex Co. (8/84) Lakewood, Oh	Connectors	76,800	$4½ million	135 (85) 300 (87)
	La Man Corp. Tekonsha, Mi (5/83)	Air Filters	14,000	$1 million	18 (83) 60 (84)
	Lectron Products Rochester, Mi (9/83)	Electrical Auto Components	73,000	$3½ million	150 (84) 600 (86)
Hudson	Precision Metal Products (Start Up, 84)	Electro Melt Down Foundary	10,000	$400,000	10 (84)
Orland	Camshaft Machine Co. Jackson, Mi (11/83)	Camshafts	95,000	$5½ million	60 (84) 90 (85)
	Film Fabricators Battlecreek, Mi (7/84)	Plastic Packaging	12,000	$561,000	25 (84)
	Ludwick Tool Jackson, Mi (4/84)	Job Shop for Camshaft	(lease)	$278,000	25 (84) 50 (87)
	Quality Convertors, Inc. Marshall, Mi (1/84)	Auto Trim	30,000	$1 million	30 (84)
WELLS COUNTY					
Bluffton	Peyton's Northern Louisville, Ky (began production, 5/83)	General Merchandise Dst	381,000	$15 million	330 (83) 362 (84)

WHITLEY COUNTY

Churubusco	BRC Injected Rubber Products, Inc. Bluffton, In (4/85)	Injected Rubber Products	95,000 (acquisition)	$4.7 million	75 (85) 200 (86)
Columbia City	Essex Group, Div. of United Technology Fort Wayne, In (3/85)	Copper Rod Casting	70,000	$5 million	65 (85)
	Fort Wayne Foundary Corp. Fort Wayne, In (3/85)	Aluminum Manifolds & Engine Castings	90,000	$9 million	40 (86) 130 (87)
	Magnavox (83) Fort Wayne, In	Artillery Detonators & Electronic Controls	144,000	$5 million	150 (83) 400 (85)
	Magnavox (1/85) Fort Wayne, In	NA	240,000	NA	350 (86)
	Richard Bagan Co. Tri Lakes, In (83)	Electronic Controls	12,000	NA	5 (83) 10 (84)
South Whitley	Seamco (83) Kendallville, In	Auto Insulating Materials	63,000 (acquisition)	$500,000	95 (83)

New Northeast Indiana Industry
Pending, 1985

Angola	Unknown France (11/84)	Agricultural Feed Supplements	37,500	NA	35-50 (85)
Auburn	R. J. Tower Corp. Greenville, Mi (3/85)	Metal Stampings, Welded Assemblies	40,000	$3.925 million	80 (85) 150 (88)
Ligonier	Western Rubber Co. Goshen, In (1/85)	Molded & Lathe Cut Rubber	22,500	$950,000	30 (85) 50 (proj)
Waterloo	Lyall Electric (9/84) Kendallville, In	Wiring Harnesses	30,000	NA	50 (85) 125 (proj)

ECONOMIC IMPACT OF NEW JOB CREATION IN NORTHEAST INDIANA, 1983-1985

EMPLOYMENT CHANGES

NUMBER OF WORKERS

New Manufacturing Jobs	7,768
New Non-manufacturing jobs	4,971.52
Wholesale and retail trade	1,087.52
Entertainment and recreation	2,408.10
Transportation	543.78
Finance insurance and real estate	233.01
Business repairs and services	233.01
Construction	233.01
Public administration	233.01

BUSINESSES

New Businesses	543.76

DEMOGRAPHICS

Additional people to the community	15,691.36
New families to the community	7,923.36
New school aged children to the community	4,738.48

NET INCREASE IN PERSONAL INCOME

Increase in personal income	$ 151,348,061.04

DISTRIBUTION OF NEW RETAIL SALES DOLLARS BY TYPE OF STORE

Total Increase	$ 114,768,549.04
Durable goods	34,660,116.84
Building materials	5,739,751.03
Automobile dealers	19,050,709.60
Furniture and home equipment stores	5,164,323.42
Other	4,705,332.67
Nondurable goods	80,108,432.08
General merchandise and department stores	14,001,742.72
Food stores	26,396,751.43
Eating and drinking places	10,788,276.27
Gasoline service stations	11,821,187.19
Apparel and accessory stores	5,508,910.29
Drug and proprietary stores	3,902,099.36
Liquor stores	2,065,821.83
Other	5,623,643.99

SOURCE: "What New Manufacturing Jobs Mean to a Community", Economic Outlook, Chamber of Commerce of the United States, June, 1984.

4-29-85

ECONOMIC IMPACT OF ON-THE-JOB PLACEMENT OF JTPA CLIENTS WITH NEW NORTHEAST INDIANA MANUFACTURERS (IND RELATED OJT'S)

EMPLOYMENT CHANGES

NUMBER OF WORKERS

New Manufacturing Jobs	253
New Non-manufacturing Jobs	162
Wholesale and retail trade	35
Entertainment and recreation	78
Transportation	17
Finance insurance and real estate	8
Business repairs and services	8
Construction	8
Public administration	8

BUSINESSES

New Businesses	18

DEMOGRAPHICS

Additional people to the community	511
New families to the community	258
New school aged children to the community	154

NET INCREASE RESULT IN 1984 PERSONAL INCOME

Increase in personal income	$ 4,929,333

1984 DISTRIBUTION OF RETAIL SALES DOLLARS BY TYPE OF STORE

Total increase	$ 3,737,956
Durable Goods	1,128,863
Building materials	186,941
Automobile dealers	620,472
Furniture and home equipment stores	168,200
Other	153,250
Nondurable goods	2,609,093
General merchandise and department stores	456,030
Food stores	859,729
Eating and drinking places	351,369
Gasoline service stations	385,010
Apparel and accessory stores	179,423
Drug and proprietary stores	127,090
Liquor stores	67,283
Other	183,159

NOTE: Impact statement does not account for 73 individuals entering employment with established companies, nor does it anticipate the impact of successful placement of 353 individuals still under active OJT contracts.

4-29-85

Senator QUAYLE. Thank you very much, Mr. Schrock.

The final witness on this panel is Mr. Max Updike, who is also a PIC member, and is director of Federal programs of the Fort Wayne Community Schools.

Mr. Updike.

Mr. UPDIKE. Thank you, Senator Quayle. My testimony has been mailed to your office. I would like to highlight some areas that I feel strongly about.

One of them, there are two strengths, the responsibility and decisionmaking at the service delivery area level, and the Private Industry Council. The local government structure that has been provided by the law, are significant contributors to what successes we are having here. They provide a self-adjusting mechanism that can respond to opportunities and the needs of our populations.

You have stated the purpose clearly in the law. Our director and the PIC leadership in the local elected officials are competent. They are dedicated and their responsibility is not taken lightly.

My concern is that in an effort to improve JTPA, the baby not be thrown out with the bath water. I have seen Federal programs in education initiated, and over a period of time helps have been added in the form of technical requirements and guidance. There are a lot of terms attached to these improvements. Over a period of time, you end up with a Rube Goldberg type of structure, where you spend a lot of your resources, a lot of your staff time avoiding technical traps in the law as we end up with it.

There are areas that need fixing, and you have given us the means to fix them. We think they can better be fixed here, than from Washington. Fixes from Washington seem to move us in the direction of the least common denominator.

An area where Washington can help is in the area of advance knowledge of funding levels, which are going to come up in some programs. Now, I realize that in the staging of programs in a fiscal year and so on. there has been an effort made in this area, but we still have problems on occasion. Late knowledge of funding forces the staff to plan multiple contingencies, and on the eve of startup, they decide which one they can afford, which makes it awkward.

A recent example. In July, we received notice of an allocation of $160,000 for our summer program this summer. So there can be improvements in this area. Forward funding would be helpful.

I think, in summing up, the successes in our service delivery area are well known, and the public is aware, and the funds are well used, and I am saying do not bury its strength in administrivia.

Thank you.

[The prepared statement of Mr. Updike follows:]

Testimony to the
Labor & Human Resources Committee
Employment Subcommittee

Testimony By
Max Updike
Director of Federal Programs
Fort Wayne Community Schools
1230 South Clinton Street
Fort Wayne, Indiana 46802

July 25, 1985

Senator Dan Quayle and Members of the Subcommittee:

I am Max Updike, Director of Federal Programs for the Fort Wayne Community Schools. I am a member of the Northeast Indiana Private Industry Council and of the Dislocated Worker Resource Team.

I am making the assumption that the need for funds in this area is self-evident and plan to limit my testimony toward the program itself and the use of allocated funds in our Service Delivery Area.

Much of the success of JTPA in our Service Delivery Area is a result of placing responsibility for decisions at the S.D.A. level. The foresight in the establishment of the Private Industry Council-Public Sector structure in an employment program was logical, reasoned and perhaps inspired. To this Hoosier, it is refreshing to see such a sensible program structure coming out of Washington. The author (Senator Quayle) should be loudly applauded. Our Director, Mr. Corona, and the PIC (Private Industry Council) have developed a working relationship that takes full advantage of the expertise and strengths of both the private and public sectors.

The structure and local decision making permits the development of working relationships that can respond quickly to needs and avoid "turf" conflicts (i.e., between JTPA and Fort Wayne Community Schools). Our summer program for those disadvantaged youth with a high potential for dropping out of school and the welding program for the training of adults to enter waiting jobs are good examples. Each organization contributes to a whole that is greater than the sum of its parts. The missions of JTPA and the Fort Wayne Community Schools support and compliment each other in theory and, in this S.D.A., in practice. There is a conscious, cooperative effort to avoid duplication of services and to refer our client populations to take full advantage of services available. The coordination of services is accomplished via active communication between agencies.

I have, however, a primary concern regarding the amending of the statute. I see an evolutionary pattern or life cycle of federal programs in education that should be avoided in JTPA. A program is initiated. Then, attachments are tacked on with renewal of the statute under the heading of "improvements." Additional restrictions and requirements are added to satisfy real or perceived problems of compliance somewhere or to some group. Thus, layer upon layer, technical restrictions are added as layer upon layer of offices protect themselves from the office above. The resulting program can be no better than its least common denominator. Please leave us with a clear statement of purpose for the program and continue granting local authority to make decisions. Let us focus our attention on that purpose and evaluate our effectiveness based on that purpose.

There is room for improvement. Advance knowledge of funding is critical to planning and the effective use of funds available. Notification of an additional allocation of $160,000 in July for our Summer 1985 program is an excellent, recent example of this situation. Staff is forced to prepare multiple contingencies with final determination coming on the eve of start-up or even during the program.

Planning and program development would be helped by a "hold harmless" percentage for Service Delivery Areas that states now have. Forward funding would also give relief. The two year program with flexibility for making adjustments is excellent. What we need is advance knowledge of funding levels.

Discretionary funds for dislocated workers are extremely important and well used in our S.D.A. I would hope that each application for Title III funding is evaluated on its merit and need. We are participating in this program. It helps. There are potential workers who have not yet been reached.

As a point of information, the requirement for 40 percent of Title II funding to be spent on youth programs coupled with the summer youth program is, in practice, causing our S.D.A. to use nearly 60 percent of total JTPA expenditures on youth. There is a severe need for services for youth; however, openings for young people are limited in our labor market, and it is difficult to meet the expenditure requirement as currently defined.

Income definitions "regulate out" youth who are staying home because they are unemployed and/or unemployable. Definition problems also affect young people who have handicapping conditions. Many are reluctant to go through the process of acquiring the label of certified handicapped. More flexibility in the definition of "handicapping conditions" and "income" could allow us to serve these unemployed populations.

The success of the JTPA program in our Service Delivery Area is known. The public is aware and sees this program as one in which money is well spent.

Don't fix what ain't broke.

Senator QUAYLE. Thank you, Mr. Updike.

I might point out that we do have forward funding under JTPA.

Mr. UPDIKE. Yes; on special programs are the ones where we get caught.

Senator QUAYLE. Which ones are you talking about? Set aside programs?

Mr. UPDIKE. Title III was late.

Senator QUAYLE. Displaced workers?

Mr. UPDIKE. Dislocated workers was late. Our Summer Youth Program, we got on again and off again, and on again through the spring. I remember this because I was helping with the mailings to 14- and 16-year-olds. The mailings were going out, and then we got a recission message, and some of these kinds of things that you have no control over, I recognize, but it does make it tough to find it.

Senator QUAYLE. I know what you mean by special programs now. Summer youth is a separate part of title II. Dislocated workers is title III, in the area of coming up with matching funds, which is a concern, because you mentioned the program stability, which is an absolute key.

One of the things that we put into JTPA, unlike other Federal programs, is to have that forward funding. We go from, or our program year is July 1 to July 1. We fund for 18 months in advance. Most programs are September 30 to September 30.

Mr. Altevogt, what about this communication? You heard the previous panel talk about it. Do you see this as a problem out there that we are not getting a good understanding of what we are doing at the State level, versus the local level, and some administrative nuances that always come with a new program? I suppose, to some extent, you might say that they are growing pains.

Mr. ALTEVOGT. I think that they probably are growing pains, as much as anything else. I think that best characterizes it, the problems that we have experienced. I think that the difference between the ES programs and the JTPA programs are that the JTPA programs are specifically local programs, whereas the ES programs are State-operated programs, and can operate in a different context.

We have made some real efforts to try and decentralize our organizational structure, to parallel more closely the JTPA organizational structure as it occurs across the State. I think we are still going through some of those growing pains.

As I said in my comments, I think that, particularly in a couple of the SDA's within my district, we have made some real strides in terms of sharing staff and sharing facilities, and some things that really would not have been done pre-JTPA, or even in the first year or so of JTPA.

So I think we have made some progress. I think that we still have a long ways to go. I feel very confident that slowly but surely we are making that kind of progress.

Senator QUAYLE. This issue came up at an earlier hearing today in Lafayette, where we had two employment security people, one out of Lafayette, and one out of Terre Haute. I asked them to take back to their people and to discuss this problem that we do apparently have. It is not something that just came up on an ad hoc basis here, but is one where there is some genuine concern about the direction, about the communication, about the implementation. They want to have it at least as bureaucratic as possible.

The worst thing that could happen is to try to sort of get Government out of it, and get this partnership, this public/private spirit that we have here in northeast Indiana, and have the Federal bureaucracy decentralized and eliminated, and to have it replaced by another bureaucracy. It would be very counterproductive. I think you will see—we have had one panel and we will have two other panels—that people are very sensitive to that in the private sector. That is the reason that they get involved because they are real good people. They know what they want. They know what kind of training should be given.

I think this northeast development that we are using as an economic catalyst for economic development in the whole area is a very good idea and one that merits strong support.

I have found this in other SDA's. There are many other SDA's in Indiana that are looking for this possibility of having this as sort of a focal point for the whole economic development.

So I thank the members of this panel for their valuable input, and some ideas that we can certainly think about as we try to fine tune the program. Thank you all very much.

Our next panel will be a panel of JTPA administrators and representatives of targeted populations. They are Cheryl Brewer, Steve Corona, Steve Hinkle, Harriet Miller, and John Rivera.

First on my list is Steve Corona, director, Fort Wayne Area Job Training Program of Fort Wayne.

STATEMENTS OF STEVE CORONA, DIRECTOR, FORT WAYNE AREA JOB TRAINING PROGRAM, FORT WAYNE, IN; STEPHEN L. HINKLE, EXECUTIVE DIRECTOR, ASSOCIATION FOR RETARDED CITIZENS OF ALLEN COUNTY, INC., FORT WAYNE, IN; HARRIET MILLER, EXECUTIVE DIRECTOR, FORT WAYNE WOMEN'S BUREAU, FORT WAYNE, IN; JOHN RIVERA, EXECUTIVE DIRECTOR, UNITED MEXICAN-AMERICANS, INC., BENITO JUAREZ CULTURAL CENTER, FORT WAYNE, IN; AND CHERYL BREWER, EXECUTIVE DIRECTOR, FORT WAYNE URBAN LEAGUE, FORT WAYNE, IN

Mr. CORONA. Thank you, Senator. I have submitted written testimony to your staff, and what I just wanted to do was summarize some of the thoughts made in that presentation, plus add some other thoughts.

I have had the opportunity to sit back and hear the comments made by members of our private industry council and other colleagues in the field, and representatives of the community. If I could offer any advice, it is: Do not change the law; do not open it up.

What we have found in this service delivery area is that the private sector in our PIC fully embraces this program.

What is really attractive to them, and I have heard this from some of them, is that JTPA does not seem to be like another Federal program. It is unlike, Social Security where the check is in the mail. The JTPA check is at the work site.

I disagree with those who believe we cream. It is a copout. We are not a social service agency. CETA is dead and JTPA is fully alive. Creaming is a word substitution for good management. The fact that the private sector embraces this program, because they in their own work places take management risks. That is what they see this program as, as an opportunity to do or to provide good management.

The former theory that you can help someone at any cost, regardless of the time, is dead, I think we have to understand it. The law is the law, and that is what we have to follow.

One of the things that is very appealing to the private industry council is that there is a bottom line, the seven performance standards. The fact that if you take a look at a cost/benefit ratio of our program, the approximately $5 million that we spent during program year 1984, had in a narrowly defined benefit, a return of $13.5 million. Wht we did was calculate the wages at placement for the 1,375 individuals that we placed, and multiplied by their hourly rate, and that is what their annual income turned out to be. So that narrowly defined cost/benefit ratio of spending $5 million to generate $13.5 million in annual wages is well worth it. That is not taking into consideration other benefits of the program.

One of the things that we firmly believe in, and you heard this from Lincoln Schrock, was the different type of partnership that we promote in northeast Indiana. That is between job training and job creation.

We have an expanding labor market and we feel that, rather than put somebody to sleep in a classroom for a couple of years, we would rather put them at a work site drawing a paycheck. It is just that simple. The fact is, that without job creation programs, you are going to have them back in classrooms.

One of the downsides of economic growth is the fact that we have a real youth problem. There are a couple of problems with youth, but one of the downsides of economic growth is that our allocation, when you take a look at what we get under title II(a) and title II(b) provides 59 percent of our total allocated funds to youth, an age group that spans only 6 years between 16 and 21 years of age.

When we have an expanding labor market, companies in our area prefer an older, mature, seasoned work force and, consequently, the allocation that we are receiving is forcing us to spend money on children when we should be spending it on adults, and the parents of those children.

I do not know if that is something that the DOL leadership can help interpret guidelines without opening up the law, but I think it is a serious problem in the fact that really 60 percent of II(a) and II(b) funds are directed to youth.

There are other problems with youth programs, the fact that youth are hard to recruit. I guess it is what some people call a management opportunity, in trying to bring them in. Perhaps another way of providing a service to them without discouraging participation is to consider them as a household of one, much in the same way that we consider handicapped individuals as a family of one. If you have a young adult over 20 years of age living at home because he has no income, if there is income in that household, he is not eligible for our program.

There is clearly a youth dilemma in our country, and we are experiencing that same problem.

One final point, and I think the thing that I like best about JTPA, it is local control. I like it and so does our PIC. I think it is an element of that program that we need to work on strengthening.

Thank you very much.

[The prepared statement of Mr. Corona follows:]

Testimony to the
Employment and Productivity Subcommittee
Labor and Human Resources Committee

Testimony by
Steve Corona, Director
Fort Wayne Area Job Training Program
in
Fort Wayne, Indiana
August 7, 1985

My name is Steve Corona, Director of the Fort Wayne Area Job Training Program, and I thank you for this opportunity to share my thoughts with you about the Job Training Partnership Act.

Allow me to congratulate you for authorizing a bill that has resulted in a federal program that has been so successful in its initial 21 months of operation. It is far and away much better than its predecessors.

What really makes JTPA work well in Northeast Indiana is the approach taken by our Industry Council. Run JTPA as a business, not a social service agency.

Clearly, the bottom line is performance. The seven benchmark areas and our actual performance during Program Year as follows:

Adult	Performance
Entered Employment Rate	83%
Welfare Entered Employment Rate	65%
Cost Per Entered Employment	$2,141
Average Wage at Placement	$ 4.93

Youth	Performance
Entered Employment Rate	70%
Positive Termination Rate	77%
Cost per Positive Termination	$2,220

In each area, our organization exceeded the established range. Thirty five hundred individuals were served during the 12 month period ending June 30, 1985.

That's better than 700 People we anticipated serving. 80% of the total individuals leaving the program were placed into employment opportunities. Further information clearly shows the $5 million dollars spent in those individuals was a sound investment. The annual income of the 1373 trainees placed in jobs totals$13.5 million dollars. Our total dollars spent during the program year was $5 million, thus, a narrowly defined cost-benefit ration results in a 1-3 ration. This does even not include the number of new jobs, wages, new tax base, and other benefits created through the efforts of Indiana Northeast Development. per economic development unit.

That partnership of programs in our SDA -- Job Training and Job Creation -- must grow stronger if we are to remain successful. Again, I commend your foresight in allowing employment generating activities under the Act.

If there's a "down side" to economic growth and prosperity, it is the fact that dollars allocated for adults are spent quickly as new companies seek to hire and train a workforce. As expected, firms prefer an older, mature individual as the nucleus to their staff. This becomes difficult for us since 40% of Title IIA funds must be spent on youth. Critics charge us with not helping mothers & fathers seek employment while serving thir sons and daughters, a charge that is hard to counter. When one totals our Title IIA and IIB allocations, 59% of those dollars are spent on an age group which spans only six years (16-21). There does seem to be an inequity. I would personally favor a regulatory change that would require SDA's to spend 40% of thir IIA/IIB allocation on youth.

Another benefit to SDA's would extend the 90% hold harmless clause to the sub-state level. Dramatic fluctuations in program funds does not allow for stability in operating programs amd services.

Local decision-making has made JTPA work. Attempts by any faction to lessen the role of the PIC will not be welcome.

Thank you for the chance to discuss this program with you.

Senator QUAYLE. Next is Mr. Steve Hinkle, who is the executive director of the Association for Retarded Citizens here in Allen County.

Mr. Hinkle, welcome.

Mr. HINKLE. Thank you, Senator Quayle. I appreciate the opportunity to provide input into the Job Training Partnership Act hearing today. I represent the Association for Retarded Citizens.

Life goals for people with handicaps are the same as for you and I. These include the right to work in the community and to have an opportunity to provide input into programs for their benefit. I understand that the rate of unemployment for people with handicaps is approximately 65 percent.

The needs of people who are mentally and physically handicapped cut across all areas of concern in the life of a community, housing, jobs, recreation, public transportation, and activities that you and I and other non-handicapped individuals take for granted, are not easily accessible to those people. Public officials and community leaders, while concerned, forget about their needs. Concerns of individuals who are handicapped do not usually get into the prediscussions when issues are developed for future community action. Lack of attention, however, will not make the concerns go away.

The Job Training Partnership Act is an opportunity to address one area of these concerns. Employment and/or job training leading to employment could be the cornerstone of the foundation of opportunity for people with handicaps. Consequently, I would request establishing mechanisms in the program that would provide greater incentive for local employers to employ people with handicaps. Adopting similar mechanisms that would provide private industry councils with additional incentive to establish innovative programs for working with these people is urgently needed. Under the current set-up, the "creaming" process reduces the opportunities for handicapped people. Staff provide time in areas which give them the greatest payoff. So this hurts my people.

Timing, as you are aware, has a lot to do with the accomplishment of many objectives. Due to your interest in JTPA, and perhaps the Defense Department, there is an opportunity available to develop an innovative program that ties some of the goals of JTPA efforts and cost reduction for Defense Contract Administration. From what I heard from Lincoln Schrock, maybe that is coming down the pike.

From the Association for Retarded Citizens of Allen County's experience with JTPA, we believe the purchase of service concept is valid. We feel that performance based contracts provide a form of motivation. We feel that the same system can be utilized to serve individuals that have not been in the mainstream of employment. Many people who are mentally or physically handicapped simply want to work. Let us give them the opportunity.

Thank you, Senator Quayle.

Senator QUAYLE. Thank you very much, Mr. Hinkle.

Next is Ms. Harriet Miller, who is the executive director of the Fort Wayne Women's Bureau, Inc.

Ms. MILLER. Thank you for the opportunity. I also submitted testimony and I will try to summarize it.

While our goal for women is economic self-sufficiency, the reality is that women are the fastest growing poverty group in the United States. Currently, 75 to 80 percent of the poor in our country are women and children. Women of color are disproportionately represented among these persons. Particularly, the female heads of households with dependent children and as older women living alone. One-third of today's generation of children are likely to live in homes headed by women receiving welfare benefits before they are 18.

Significantly, the women who head these poor households are attempting to work. Often against enormous odds.

While currently the labor force participation rate for women is over 50 percent, the problem, of course, comes in the amount and type of work in which women are concentrated, and the wage differential they receive.

Women are victims of wage discrimination, are concentrated in part-time and lower paying occupations. Thereby the stigma for women of earning 59 cents for every one dollar that men earn, because that has become a reality. When we raise this factor again with minority women that becomes 50 cents for every dollar men earn.

When we speak of unemployment, we find that the official unemployment rate underestimates the extent of joblessness because, among other deficiencies, it excludes the number of jobless persons who are simply too discouraged to conduct an active job search.

In 1984, there were at least 1.3 million such discouraged workers. A disproportionate number of them were women and minorities. Approximately two-thirds of all discouraged workers are women.

Most women who want to work but do not look for a job cite home responsibilities and the belief that they cannot get a job as the explanation.

Among black women, the belief that they cannot get a job is cited about as frequently as home responsibilities.

One of the values of a JTPA training program is its ability to help dispel that belief, to help break down that barrier between the unemployed person and offer some kind of hope, to provide skills and training and self-esteem and the how-to of getting a job.

When women do find employment, I think the biggest problem that we are facing is the support services available, or the lack of support services available. Child care, for instance. If we are going to move women with children off of welfare and into the work force, we must recognize that we are dealing with hard to place women, and recognizing that the reality for them is that they are going to go into low wages, entry level wages. I think the biggest problem is the lack of support services to help these women through the transition.

We have got the training programs in place. We can get participants into entry level jobs. But as they move off of welfare, and they have to make that transition while they spend a year or maybe 2 years working up the ladder from entry level into a better position in the company, they lose all kinds of support systems that would have been available to them through the welfare system.

I am not sure if this is singularly the problem of JTPA, but it certainly is the problem of Congress. The problem is: How to coordinate the various type of assistance programs so we can be successful with the unemployed woman and help her move from welfare to work and overcome the barriers that she is currently facing.

In Fort Wayne we have several different programs that we work with through JTPA. It is encouraging because we know that the training programs give hope, and we can help place women. We are also working with them over the next year after they have been placed to ensure that they do not drop out because they are facing such obstacles as child care, transportation, health insurance, and housing. We have found that women, once they are placed, can lose their Federal housing assistance. One woman went from $30 a month rent in her home to $252 in rent simply because she was now employed even though the employment was entry level.

So I think if I had any message, it is to say to you, Senator Quayle, we need to take the next step if we are going to collectively accomplish the goal of self-sufficiency for women. We need to be aware of the fact that training end job placement is not the end-all, be-all; that we have to have other systems in place that will take care of their transitional needs between being on welfare, where some of those things are built into the welfare system, and being in the work force. We need to address basic needs such as health insurance, child care, transportation during the transition period while our participants move from entry level positions into stable job slots which include better pay and employee benefits.

Thank you.

[The prepared statement of Ms. Miller follows:]

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womens
bureau

Testimony August 7, 1985
Fort Wayne, Indiana
Presented by: Harriet Miller
Executive Director

Thank you for the opportunity to testify before the Subcommittee on Employment and Productivity hearing on the Job Training Partnership Act.

The FORT WAYNE WOMEN S BUREAU, INC is a community based organization active for the past nine years in promoting equity and opportunity for women. It is our goal to assist women to achieve a sense of self worth, the opportunity for growth, both personal and professional, and access to economic self sufficiency.

While our goal for women is economic self sufficiency, the reality is women are the fastest growing poverty group in the U.S. The share of the U.S. population living below the poverty level has risen dramatically in the last several years. According to the Census Bureau, the 1983 poverty rate was 15.2 percent as compared to 13 percent in 1980. There are two million additional persons living in poverty every year since 1980.

When we talk about the nation's poor, we are talking primarily about women and children. Currently, 75 to 80% of the poor in our country are women and children. Women of color are disproportionately represented among these persons, particularly as

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female heads of households with dependent children and as older women living alone. One-third of today's generation of children are likely to live in homes headed by women receiving welfare benefits before they are 18.

Said another way -- each year, 150,000 women heads of households enter the ranks of the poor.

According to two government reports that were published recently, it seems that the child-poverty rate is at the highest level in this country since the mid 60's. More that one in five American children live in families below the poverty line, and most of them live there with one parent, their mother.

The figures proved that the absolute easiest way to be poor is to be born out of wedlock to a young women. If you need a statistic to memorize, try this one: 92.8 percent of all children in black, single female headed families where the mother is under 30 and did not complete high school, are in poverty. There are more of these children who are "missing" -- missing a decent life in America -- than we can ever feature on a weekly allotment of mill cartoons and transit posters and toll tickets.

Significantly, the women who head these poor households are attempting to work, and often against enormous odds. Currently, the labor force participation rate for women is over 50%. The problem, of course, comes in the amount and type of work in which women are concentrated, and the wage differential they receive. Women are victims of wage discrimination, are concentrated in part-time and lower paying occupations. Women earn 59% what men earn in similar positions, and when race is factored in, this becomes 50%.

And when we speak of unemployment, we do not even have an accurate count of the jobless in this nation. A report issued April 5, 1985 titled THE HIDDEN JOBLESS: DISCOURAGED AND FORGOTTEN states that the official unemployment rate underestimates the extent of joblessness because, among other deficiencies, it excludes the number of jobless persons who are too discouraged to conduct an active job search. In 1984 there were 1.3 million such "discouraged" workers, a disproportionate number of whom were women and minorities. Taking into account discouraged workers and those working part-time for economic reasons, "real" unemployment averaged 13.6 percent in 1984, compared with the official figure of 7.5 percent.

Approximately two-thirds of all discouraged workers are women. Most women who want to work but do not look for a job cite home responsibilities; the belief that they cannot get a job, however, is the second most frequent explanation, putting discouragement ahead of school attendance, ill health or other factors. Among Black women, the belief that they cannot get a job is cited about as frequently as home responsibilities. Experts have speculated that the large concentration of women aged 25 to 55 among the discouraged whose last job dates back more that five years earlier may reflect their having left the labor force during their childbearing and childrearing years. Although these women may wish to rejoin the labor force, they may be deterred by a belief they cannot find work.

And when they do find employment, the support services available is another negative factor in the work life of single mothers. Day care is especially critical, and this is one area where government policy by design has been to cut back in a way which hurts women drastically. Another area of cutback for working mothers who are earning so little they remain elibible for AFDC is any financial incentive to incur the costs of work. The structural barriers to a female household head to earn her way out of poverty through working are even greater today then they were when the war on poverty was announced 20 years ago.

Not surprisingly, the problems of women in the work place spill over into the pension and social security systems which make aged women vulnerable to poverty once their children are raised. A recent study has revealed that about 50% of all working women are in jobs with no pensions. 80% of all women of retirement age today have no pension, and the average single woman retires with less than $1,000 in the bank.

In addition to the structural dilemmas women face, they and their children are also vulnerable targets of tension and stress external to themselves. It comes, as no surprise that recent data substantiates that domestic violence is on the rise -- and for victims of domestic violence, the complicated choice to flee physical endangerment is often tied to the desperate reality of an immediate plunge into poverty.

The Fort Wayne Women's Bureau, Inc has worked with the Fort Wayne Area JTPA to design and conduct programs which prepare youth, women and handicapp to move from poverty and welfare toward self-sufficiency. The three youth programs provided work readiness skills, vocational exploration with the emphasis on non traditional careers, and life skills training. Our very successful teen parenting program conducted in three Fort Wayne Community High Schools, not only taught parenting and job search skills but was instrumental in encouraging the majority of the students from dropping out of school.

We encountered our major stumbling block while working with adults in our employment training program. The goal is to train participants for employment so that they can get off welfare and achieve economic self suffiency. One of the biggest barriers toward achieving that goal lies not in the training program, or the motivation of the participant, or in the job oppportunities in the community. The biggest barrier lies in the system, the lack of adequate support systems to assist the poor as they make the transition from welfare to the work force.

While we all say we are committed to self sufficiency, we have found that the current system of JTPA, welfare and other government assistance programs can actually block acheivment of that goal.
A recent "success" story of ours is "Susan", a 45 year old mother of two went through our building maintenance train~~g~~ing progam, was placed at an entry level position with growth potential. She has already recieved a raise. She married a man who is also a "success" story from our training program. She went off welfare, he moved out of the rescue mission. They are both employed after years of poverty and unemployment. But they are both at entry level wages. The difficult part is that "Susan" lost her housing assistance the minute she began to make progress, so that her rent jumped from $30 a month to $252 a month. It is barriers like this which make the transistion period very difficult.

What we feel is needed is a better coordinated support system to assist trainees like "Susan" during their first year of employment. Help is needed in the way of child care, transportation, housing, health insurance during that critical transistion period if our efforts toward self sufficiency is to be accomplished.

JTPA progams can make a difference. We are working with clients who experience serious barriers to employment, they are discouraged, they are hard to place. Poverty has intensified their problems. Our training programs coupled with work experience has made a difference. But we need more flexibility at the local level to address the critical needs of support services to ensure that clients can survive the transistion into self suffiency. We look to this subcommittee and to you Senator Quayle to develop policies, guidelines and programs that will eliminate these barriers.

Senator **Quayle**. I think there is not doubt about it that as you look to this move from being dependent upon the Government and income security programs to one of being independent. there has to be some supportive services along the way. I think what our challenge is not only the coordination of the program, but to make sure that we remove impediments that would be disincentives for them to become employed and gainfully employed. If we do not take away obstacles along the way, then human nature will take over and say my incentives are not there to go ahead and be employed.

The bottom line is that everybody really does want to become employed. I think it is a tough thing to call, how much you are going to allow for supportive services, and how much you are not. You do not want to get carried away where it is all supportive services and income security. You want to keep your eye on the training program. That is quite frankly what happened to CETA. It just got flip-flopped upside down. You had 16 percent that was going to training, and 70 percent was for supportive services.

So it is a fine line and it is a good challenge that we have.

We thank you very much.

Ms. **Miller**. Thank you.

Senator **Quayle**. The last member of this panel is Mr. John Rivera, who is the executive director of the United Mexican-Americans, Inc., of the Benito Juarez Cultural Center here in Fort Wayne.

Mr. **Rivera**. I appreciate the information that was sent to me. On May 7, 1985, Mr. Richard Fogle, director of Human Resources Division, presented a report on the JTPA program to the Committee on Education and Labor. It stated that the JTPA was serving a high percentage of high school graduates and in-school youth, and a low percentage of dropouts and unemployed than under CETA.

Our concern is that JTPA does not get into the numbers game, wanting to serve only those individuals who have been determined by JTPA to have a better chance to complete the program solely for the purpose of presenting a favorable picture at the end of the fiscal year.

The United Mexican-American organization compiles annually a profile on the applicants coming to the Benito Juarez Center. The organization board of directors has set the priority for the organization based on these statistics.

To give you an idea of the type of people coming into our center, I will quote some statistics. Eighty percent are unemployed, 60 percent have not completed high school, 68 percent are not receiving any type of assistance, 41 percent have been migrant farm workers at some point in their lives, 91 percent are under 40 years of age.

As you can see from these statistics, it is very possible that many Hispanics are excluded from the JTPA Proqram because of their educational and employment background, if Mr. Fogle's evaluation is correct.

Today, the Hispanic must achieve equality in society if they are to function and survive To accomolish this, they must be offered the opportunity to seek training that will prepare them to compete in today's very competitive labor market.

The Hispanics want the opportunity to participate in society, to share, learn, and grow as individuals and as Americans. They expect to exercise those riqhts and responsibilities in the context of American society.

Income is the most single factor in determining the economic and social status. Hispanics are severely disadvantaged compared with the general population.

In the areas of income, occupation status, employment and education they fare very, poorly, being relegated to the bottom of the economic heap as a consequence of other education and employment deprivations suffered by the Hispanics, as well as the discriminatory actions they face along with other minorities.

As the Hispanics develop the skills to help themselves, the local JTPA must make some adjustments in meeting those needs. Manpower policies and programs too often have failed to recognize and deal with the uniqueness of the manpower needs of the Hispanic.

The fact that the Hispanics speak a different language and come from different backgrounds, is regarded as being their own problem, and we need to establish programs to serve different people from different cultures, and this is not always recognized.

I sincerely hope that changes will result from these hearings which will increase the participation of Hispanics in the program.

Also to add some additional comments, recentlv I read in the paper where approximately 900 job placements were made with 10 top companies who have been subsidized. My question would be, at this point, how many minorities and women have been placed of those 900 placements? Do these companies have to comply with affirmative action? Who is responsible for monitoring the affirmative action of these companies?

Also, one other item of concern is the allowance or stipends which I feel should be considered by the law, JTPA policies and guidelines. I think that people find it very hard to study with empty stomachs if they do not have any income.

Senator QUAYLE. Thank you very much.

Our final witness of this panel is the executive director of the Fort Wayne Urban League, Ms Cheryl Brewer.

Ms. **Brewer**. Senator Quayle and to those of you that are present, I am Cheryl Brewer, the executive director of the Fort Wayne Urban League.

The Fort Wayne Urban League is an affiliate of the National Urban League. There are 113 affiliates. Our primary purpose is to assist blacks, minorities, and poor people into moving into the mainstream of society.

Our primary concern here in the city of Fort Wayne is in the area of employment, employment assistance and placement, and education.

Now, I have just a few comments to make about the JTPA program here in the city of Fort Wayne.

I am a recent appointee to the PIC, recently by the Governor. I have only had an opportunity to attend two meetings. I am still in the process of getting a handle on what is happening.

Nevertheless, from what I am able to ascertain, Senator, it just seems like the program is really geared toward helping those individuals who really need minimal assistance. The way I understand it, that is the goal, of the legislation. My concern is that those individuals, particularly blacks and other ethnic minorities in this community, really need more than minimal assistance. When I say assistance, I mean those who do not have a high school education, even though we have those who do have high school educations, and are really functional illiterates. We have a number of those individuals who have not even graduated from the eighth grade, believe it or not. We serve those individuals at the bottom of the totem pole and, who are not able to get into the mainstream in this particular community.

I do not feel that the need for those individual is being adequately addressed. I do not know. For sure; but I think it may take some changes in the legislation. Over the past 5 years, the Urban League has conducted a GED program quite successfully. Under the previous legislation, CETA, students were paid a stipend to attend class. Having that stipend gave them minimum wages and money that they could use to meet their daily needs in order to attend class. Our success rate, or those graduating from that class was like 94 or 95 percent.

Last year, we did a GED program under JTPA. The success was not nearly as high. We did not meet our goal. That was the first time that had happened in 5 years and, of course, we were very disappointed. One thing that we tried to build into the GED program was to provide employment during the summer. However, after the summer months, we started to lose our students because they did not have any income. Therefore they were not able to get to school. They just really lost interest because they were trying to survive on a day-to-day basis. Consequently, that affected our success rate.

This year, we submitted another proposal doing basically the same thing, trying to address those who had not graduated from high school in order that they can get their GEDs and to move into college and elsewhere. Our proposal was rejected. The main reason that I was given was that the panel this year felt that the educational needs were being addressed by the Fort Wayne Community School system, through their present programs. I had some real serious problems with their rationale. Since we have done this over the past years, and to say that this year the GED Program is not a priority, and feel that the Fort Wayne Community School system can handle it better than the Urban League, is something that was really disturbing to me and to our organization.

Without going into a additional of details and really just echoing what the gentleman from Benito Juarez has stated, I will just conclude at this particular point.

Senator QUAYLE. I am sure that you will be able to straighten it all out on the PIC now that you are a member.

I would like to point out that, according to the law, and we put it in there very specifically, we must serve the economically disadvantaged. Those are our charges. It does not make any sense to have a Government program and not have it go towards people that do not have an economic need. We have it written in, I think, the argument is over which one, who among the economically disadvantaged should receive the help. I think your contention is that they ought to perhaps redefine and target even more precisely to the truly hard core structurally unemployed, more out of school youth than in school youth.

These are judgment calls. They are going to have to be made by the PIC. In no way do we get away from that definition of economically disadvantaged. Those are our parameters. Unfortunately, we find blacks, minorities, other women that are disproportionately in that category. So, as far as participants in JTPA, those are the people that are going to be the ones we are trying to help.

So I think it is a matter of setting priorities locally and working out who are the economically disadvantaged. I do not think you would want to change that definition because I think that economically disadvantaged people ought to be able to get help.

So I am sure that with your involvement with the PIC, you can get some of these things before them, to hash it out and see what you come up with. We will look at that issue of creaming, which has come up before. It is something that we are sensitive to. We have heard it before. It is an issue.

Thank you all very much. I appreciate it.

Senator QUAYLE. Our final panel today is a panel of employers and trainees. They are Tammy Ellison, Thomas Pfister, Joseph Stemen, Clarence S. Stuart, and George Wappes.

OK. First on panel No. 4 is Mrs. Tammy Ellison, on-the-job training, currently employed by Halex Co. in Angola.

Mrs Ellison, please proceed.

STATEMENTS OF TAMMY FERRIER ELLISON, ON-THE-JOB TRAINING, CURRENTLY EMPLOYED AT HALEX CO., HAMILTON, IN; THOMAS A PFISTER, PERSONNEL MANAGER, WHEEL-TEK, FREMONT, IN; CLARENCE S. STUART, PRESIDENT, SENTRY MANUFACTURING, FORT WAYNE, IN; AND GEORGE WAPPES, PIC MEMBER, MANAGER, LYALL ELECTRIC, INC., KENDALLVILLE, IN

Mrs. ELLISON. Thank you, Senator Quayle.

I am here today to review a dark point in my life, a point which barely could be called survival. I was divorced with two little boys, ages 7 and 5 years old at that point. I was not working, and the financial support which I received from my ex-husband was erratic, if any at all.

I had just come from my first trip from the welfare office—this was a blow to my ego—for food stamps to feed my sons and myself. I had heard about the JTPA Program and stopped into the office to see if the program could help me find a job.

For the program, my income was not a problem. In the last 6 months, it was only $2,271. So the assessments and testing began. This is a necessary part of the program. It lets the people of the JTPA know what your skills and quality areas are. It also makes a person stop for a minute to put their own priorities in order. Social standing, self-acceptance, money, security, and family. The testing tells JTPA what jobs you would or would not be good for. This is also one Government agency that does not shuffle you along.

Being desperate at this time, all I wanted to do was work and support my sons. The gentleman who assessed me at this time said I had abilities for many different areas, but the jobs were in a man's world, and required a college education. I thought, with two sons, no job and no money, and I was supposed to go to college? It was a little ridiculous.

I interviewed for a general labor job with the Halex Co. I was hired at this time as a general machine operator. The job started at $3.65 an hour, a mandatory 10 hours a day, 5 to 6 days a week, for a total of 50 to 60 hours a week.

The Halex Co. is a division of the Scott Fetzer Corp. As Halex began to expand its work force, the experience from my previous jobs led me to a general office job. The work that was performed was quality and mainly common sense. Now I have achieved office manager for the Halex Co.

I am not the only success story for Halex or the JTPA Program. The people that I am about to mention and situations are just a fraction of the people that JTPA has helped.

Barry, a coworker from Detroit, MI, started as a general machine operator also, and then went to forklift driver, and now is head of all material handling along with shipping and receiving. His past job experiences and willingness to learn has started to lead him up in the company.

Steve, who started the same way as a general machine operator, is now a very important part of the maintenance department.

Neal also started as a general operator, and now is head of shipping and receiving on the second shift.

There are many more. Some had been in trouble with the police, and recommended by JTPA to be given a chance to prove themselves.

People under the JTPA Program are not treated differently than other employees who are not on the program by the Halex Co. Would these people have been hired anyway? I cannot say yes or no, but with a little support behind you, anything can be done.

Yes, my life has changed for the better. I am remarried and my husband and I have a total of five children.

The job training program gave the Halex employees the self-esteem that was needed to start a new and better life.

I am sorry that I do not have enough time to go into the details on other people who have been helped by this program. I know that it has helped and will continue to help many less fortunate people.

If the people who contradict this program could have walked in my shoes for just that period of time, they would better understand the situation.

I feel that JTPA is not just another Government agency that shuffles people along. It is one that tried on the individual case where others do not.

Thank you.

Senator QUAYLE. Thank you very much, Mrs. Ellison. Congratulations on your new job and your promotion.

Next is Mr. Clarence Stuart, president of Sentry Manufacturing here in Fort Wayne, IN.

Mr. STUART. Thank you Senator Quayle.

This afternoon I want to talk about two areas of this program. One has to do with the employee or the trainee, and the other would cover the reimbursement part of the program.

Sentry is a small employer. The current JTPA Program has played a significant part in the expansion of our company.

We are a manufacturer of electronic switches, mechanical assemblies, wire harnesses, and telephone repair kits. Hopefully we will get some of the defense business.

Prior to the JTPA Program, we used various sources to try to get the kind of people our type of work requires. We tried employment agencies, employer referrals, newspaper ads, and walk-ins. The problem with this system was the tremendous amount of time necessary to select possible candidates for the job. It was a drain on management's time, and the trial and error method was costly in terms of hiring people, and then finding that they could not do the job.

When we began to use the JTPA Program, we found that by giving them a good profile of the type of person that we were looking for, they could screen potential candidates, and send us those people most capable of being trained in our particular industry.

Here again, as a small company, it is extremely important to us that we get the kinds of persons that is adaptable to the kind of jobs that we have. Our jobs are not the kinds of jobs that require a lot of strength, but the kinds of jobs that require some dexterity. So we ask that people that are sent to us would have some abilities in those areas.

We thought it would be helpful and would be easier for us to train those types of people in the kinds of work that we wanted them to do.

This system works well for us, but it is even better for the potential employee, because it increases his or her chance for successfully completing our training program. We found that people coming out of this program had a positive attitude toward their training. These people went to work, and seem to understand that this program expects results.

Over 95 percent of the people going through our training program have successfully completed their training and now have full-time jobs.

We have also been very lucky to have some individuals who have also attained the status of supervisors.

Another plus for this program is its realistic approach to the real world problems. Here I am referring to the employer reimbursement program. In any business, the cost of management's time to train people, the below rate production during the training period, and the errors in scrap generated during this training period are numbers which eventually affect the pricing structure of our product. Any business person has to take all these things into consideration as he is pricing his product. If he expects to remain in business, his products have to be priced so that he would win the kinds of quotations that he is going after.

In our case, because of the reimbursement feature, we have been able to successfully quote new jobs. These new jobs, in turn, have opened the door for additional JTPA training candidates, and will allow us all to contribute to the economy of our city.

In summation, we have found the attitude of the JTPA staff to be supportive. We have found the training candidates to be excellent and the reimbursement feature to be very helpful in the creation of jobs which, after all, is the bottom line.

Thank you.

Senator QUAYLE. Thank you very much, Mr. Stuart. Thank you for your participation in JTPA, and good luck in getting some of those defense bucks.

Mr. George Wappes is our next witness. He is a PIC member, and manager of human resources of Lyall Electric in Kendallville.

Please proceed.

Mr. WAPPES. Thank you, Senator Quayle.

I am George Wappes, the manager of human resources for Lyall Electric Inc. We are headquartered near Kendallville, IN. As you mentioned, I am also a representative from Noble County on the Northeast Indiana PIC Council.

Lyall Electric and its affiliated entities are in the wire industry. The operations include drawing of copper wire, the insulating operations, and the manufacturing of wiring harness assemblies for the appliance industry, office modular furniture industry, and the automotive industries.

I will address two areas of the JTPA Program as viewed by this business entity. The first area is the northeast Indiana PIC. It is most satisfying to see an effective and efficient government operation being conducted. The PIC council and its committee are very professional and businesslike in the implementation of the program. The council establishes broad guidelines and allows the staff at the service delivery area and the county offices to establish the procedures necessary to implement the program. The relationship between the PIC council and this service delivery area staff is of mutual cooperation and respect.

The second area is how it relates to our business. Our company has doubled its Indiana employment over the past 2 years, and has opened nine new plants. Numerous new businesses recognize this excellent business climate, quality of employees available, and are growing rapidly as will Lyall Electric in this area. In the job market area, many agencies and organizations, including the JTPA Program, aggressively promote their programs and quality of people available.

Since the inception of JTPA, Lyall Electric has hired over 275 people who are JTPA qualified. This accounts for approximately 15 percent of our new hires in this time. Lyall Electric has used only the OJT contracts and the summer youth programs in support of JTPA. The majority of these workers have been assembly operators, which is our major work classification. However, there have been supervisory trainees, administrative clerks, and technicians placed in training, and the majority have become excellent employees. The training received has developed a skill base upon which these employees can gain additional training and/or experience. The turnover and the disciplinary rates average the same as our non-JTPA eligible employees.

The JTPA has been a big incentive to Lyall Electric to expand in northeast Indiana. It has provided the labor market and quality of employees necessary to grow. The numerous county JTPA offices and three SDA's in which we operate have been most cooperative in supporting the program.

The JTPA program has been very beneficial to the qualified persons, to our business, and the community in which these people live, and in which the programs are conducted.

Thank you for your time, Senator Quayle.

Senator QUAYLE. Thank you very much, Mr. Wappes. Thank you for your involvement.

The final witness is Mr. Thomas Pfister, who is the personnel manager for Wheel-Tek in Fremont, IN.

Mr. PFISTER. Thank you, Senator Quayle.

As you mentioned, I am personnel manager at Wheel-Tek. In Fremont, IN, Wheel-Tek is a new company that was born and began production in May 1984. At that time, we had just a few of the management group. We have grown to the size of 220 employees since May of 1984. We are now fully staffed in the size of the facility that we have. During that time, we have developed a good working relationship with the JTPA program. We have hired 27 employees through the program. Most of them have been very good employees who have worked within the guidelines, had minimal attendance or discipline problems. In fact, after completing the program, seven of the individuals have been promoted to higher positions, two of which have developed into lead positions, and one into a supervisory, nonexempt position. We are proud of that development.

One other thing that I wanted to comment on is something that I think has gone into making the program very successful, is the evaluation process prior to coming to interview at our company. We receive the summary sheet of the results and that enables us to know the level of education, mechanical ability of the individual, and also their grade level. That helps us in placing an individual on the job. In the personnel field, I think the key to having a successful working relationship is placement of the employee, getting the right employee in the right job. That evaluation process is the key to that function.

One other thing. Initially I was skeptical of the program, as were the corporate people, when the first presentation was made. The reason why we were skeptical, we were afraid of having a lot of paperwork that would burden us, and being a new company and with start-up and being shorthanded on overhead at that time. I was pleased to find out the program was not that way. In fact, the paperwork is kept to a minimum. With the evaluation process, where we refer people to the JTPA office to be evaluated, runs smoothly and efficiently, and that the individuals are punctual in keeping their appointments with us for interviews, and when we submit paperwork for reimbursement of training funds, that that is handled punctually. Also the evaluation process that we do as employees are going through the training program fits in well with our evaluation process that we do for all employees. It has not created a burden as far as paperwork.

So I commend you on the way that the program is being run. I think it is good for the employees. We have had five individuals who have gone through the program and completed it successfully, and through the skills that they have developed with our company, were able to go out and get a better job with another company. We complimented them and wished them well.

Thank you very much for the opportunity.

[The prepared statement of Mr. Pfister follows:]

TESTIMONY BY THOMAS A. PFISTER, PERSONNEL MANAGER, WHEEL-TEK, FREMONT, IN

Senator Quayle:

I am Thomas A. Pfister, Personnel Manager of WheelTek located in Fremont, Indiana. WheelTek is a new company that began plant production in May, 1984. The complete job processes for producing cast aluminum wheels are completed at WheelTek. When the wheels are shipped to the auto makers' assembly lines, they are ready for use.

The skill level required to perform most of the machine operator jobs in our plant can be categorized as semi-skilled. Our certified Quality Assurance testing laboratory has several positions that require skilled individuals. A few jobs require minimal training and are categorized as unskilled.

WheelTek has been successful in training individuals in the JPTA Program. Twenty-seven individuals have begun the training program. Seven individuals have been promoted to a better job since completing their training. Two of those individuals have been promoted into lead positions, and one individual has been promoted to an exempt supervisor position. The completion rate has exceeded 80% of those in the program. Five individuals have been trained well enough that they were able to get a better job with another company.

I believe part of the reason for the success of the program is the evaluation process. I review the skill and education level of potential trainees which enables us to place them on the proper job.

The certification process to become a trainer, the job description process to determine the length of the training, and the invoicing process to receive reimbursement for training are all reasonable and workable.

In the beginning I was skeptical of the JTPA Program because of fear of potential burdensome paperwork requirements. I am pleased to see that paperwork required has not increased as the program developed. I commend you on developing a program that is workable for the JTPA office, the trainer, and the employer.

Thomas A. Pfister

Senator QUAYLE. Thank you very much, Mr. Pfister, Mr. Stuart, and Mr. Wappes. Your involvement in JTPA make it possible for us to place JTPA participants at your place of employment where you obviously have been quite pleased with the results. People like Mrs. Ellison now are working and are productive and doing a good job. Without your participation, people like Mrs. Ellison might not have that opportunity. So it is a two-way street. You get a good employee, and the employee gets a good job. I think what we are trying to accomplish is to place people in jobs that otherwise did not have the skills and did not have the opportunity to work. People do want to work.

We thank you for your cooperation and your partnership, and good luck to each and every one of you.

[Additional testimony submitted for the record follows:]

GENERAL ELECTRIC

AIRCRAFT ENGINE ELECTRONIC CONTROLS DEPARTMENT
GENERAL ELECTRIC COMPANY • P.O. BOX 2232 • FT. WAYNE, INDIANA 46801-2232 • (219) 434-5000

August 14, 1985

Senator Dan Quayle, Chairman
Subcommittee on Employment and Productivity
SD 428, Senate Office Building
Washington, D.C. 20510

Dear Senator Quayle:

Thank you for allowing me the opportunity to provide you a written overview of our favorable experience in retraining dislocated workers under Title III of the Job Training Program Act. I regret that I was unable to be present at your subcommittee hearing on August 7, 1985 in Fort Wayne, Indiana; however, prior schedule commitments precluded my attendance.

In November 1983 we announced our intent to relocate the Aircraft Engine Electronic Controls Department's manufacturing facility to Fort Wayne, Indiana. Our decision was based on a number of factors including availability of space, the fact that several hundred GE employees who worked for the Motor Business Group were being laid off due to consolidation of its operations and that the Fort Wayne Area Jobs Training Program was willing to help us retrain those individuals for occupations in our electronics facility.

Our business is part of General Electric's Aircraft Engine Business Group. We manufacture electronic controls and accessories for jet engines. Pilot plant production activities for our plant began in May 1984 with six production workers. The 185,000 square foot modern, flexible manufacturing facility was completed in March 1985. We currently employ approximately 600 people. Included in that number are 341 individuals who have been or currently are enrolled in the local Job Training Program.

As of July 31, 1985, 182 employees have each successfully completed 680 hours of on-the-job training. An additional 159 individuals are currently in training, with more to come, and will complete their programs within the next several months. On-the-job training for all 341 of these individuals, who are former Motor Business Group employees, has been funded in part by the Job Training Program Act.

While it is too early to assess the full effect of our training effort, because many of our people are still on learning curves, the overall performance trend to date is very favorable. Our efforts include classroom

Senator Dan Quayle
August 14, 1985
Page 2

training taught by our instructors at the plant for assemblers and assemble/solders. Additional courses specifically for our Tester-Electronics classification are taught by Indiana Vocational Technical College instructors at their Fort Wayne campus. We have also utilized IVY Tech instructors to help teach classroom topics in our plant.

Our progress to date has been accomplished through the efforts of many different partnerships in the State of Indiana. We're here because the State and the City of Fort Wayne wanted us here. We're also here because local labor leaders have supported the effort to bring us here.

We have been pleased with the support provided by Steve Corona, Director - Fort Wayne Area Job Training Program and his organization. They have worked closely with us to support our retraining efforts. Their efforts, which have been made possible by your sponsorship of the Job Training Partnership Act, have been beneficial to our community, our employees and our business.

Senator Quayle, we thank you for your foresight to create the opportunity to provide meaningful legislation to help retrain workers whose skills have become obsolete due to the fast pace of technology change in today's competitive economic climate.

While I can only speak for my plant, I believe that the Job Training Program is an effective tool to create employment opportunities. In our case, there are 341 employees at our plant who now have skills in electronics occupations. This, in and of itself, speaks for the effectiveness of the program.

Thank you for allowing me the opportunity to share our business story with you. As Roger Morey indicated in his August 8th letter, we would be delighted to show you our facility and give you the opportunity to meet some of our people. Hopefully, you will be able to take advantage of this opportunity in the near future.

Sincerely,

Dale W Weaver

D. W. Weaver, Manager
Fort Wayne Plant

DWW:djn

cc: R. D. Morey
R. D. Rowe

Northeast Area III Council on Aging, Inc.

5720 St. Joe Road
Phone: 219-485-4026
1-800-552-3662

Fort Wayne, Indiana
46815

Adams
Allen
DeKalb
Huntington
La Grange
Noble
Steuben
Wells
Whitley

August 12, 1985

Senator Dan Quayle
359 Russell Senate Office Building
Washington, D. C. 20510

Dear Senator Quayle:

I was not able to attend the hearing in Fort Wayne on August 7, on the Job Training Partnership Act, but I do want to express my concerns about the Older Worker Program.

Our agency began contracting with the Fort Wayne Area Job Partnership Program in December of 1984. Our contract ended June 30, 1985 and we are currently negotiating for 85-86 for the Older Worker Program.

We have run into serious problems which I feel need to be expressed, namely because our agency is vested with the responsibility of advocating on behalf of senior citizens when we feel they are not being served well.

1) There is a long period of waiting until an appointment is given, assessment has been made and action is taken.

2) JTPA workers have been insensitive to older worker's needs. Documented complaints include conversations where JTPA worker has told client that "no money is available for training;" "they can't find older workers jobs" and they can "go out and look for their own job." One lady was told she could be a salad bar worker. She wants to obtain a real estate license.

3) To my knowledge, the only placements which have resulted from our referrals are those our agency has placed in positions.

I strongly feel that the monies set aside for older workers (3%) are not being used in the best manner for their benefit. I realize that the JTPA Program has 97% to worry about, so the 3% are relatively unimportant.

Equal Opportunity Employer & Service Provider

President - Russell Kelbam

Executive Director - L. Joyce Smith

I feel our agency could administer the Older Worker Program in a better manner, if we had the funds. We are sensitive to older worker needs, we currently administer two other older worker employment programs and we know the places to find employers who will hire older workers.

If the JTPA Program continues to have the authority over these monies, I feel it would be a much more effective program if:

1) Older workers themselves were hired by local offices to handle "older worker" clients.

2) An older worker was hired to develop jobs for them and concentrate solely on this segment.

The bottom line I am concerned about is finding employment for older workers to the benefit of that worker and the employer.

I truly hope the program will continue because, if properly administered, it would be a great benefit to older workers.

Sincerely,

Diann Shappell

Diann Shappell
Executive Director

Lincoln Hills Development Corporation
P.O. BOX 336 — 302 MAIN STREET
Tell City, Indiana 47586-0336

PIC
TRAINING FOR JOBS

July 8, 1985

Ms. Renee Coe
Senate Labor and Human
Resources Committee
SD-428
Washington, DC 20510

Dear Ms. Coe:

It was indeed my pleasure to have the opportunity to attend Senator Quayle's Job Training Partnership Act oversight hearing in Evansville, Indiana on July 1, 1985.

In general I believe JTPA is working well, however, I do have a concern about the Performance Standard of the Adult Average Wage at Placement. Simply stated, I believe the formula used in computing the wage at placement standard is too complex and is not an accurate performance indicator. For example, small businesses located in rural areas such as Tell City do not pay the same wage that Alcoa, located within 30 miles of our area, pays and which is reflected in the formula-derived wage at placement performance standard.

Secondly, some companies pay a low wage but have sizable fringe benefits which are not reflected in the placement wage reported.

And finally, when this nation adopted the Federal minimum wage concept, which many argue should now be changed for youth, much debate and research was conducted to establish $3.35 as a "fair" minimum wage. It would appear to me that any job which meets the Federal wage standards should be good enough for JTPA clients and that the formula-derived wage at placement standard is not needed.

Again, thanks for the opportunity to attend the hearing and thanks for your consideration.

Sincerely,

Larry K. Kleeman
Executive Director

LKK:kg

Telephone (812) 547-3435

UNITED MEXICAN-AMERICANS, INC.

BENITO JUAREZ CULTURAL CENTER
2905 CALHOUN STREET
FORT WAYNE, IN. 46807
TELEPHONE: 744-5129

On May 2, 1985, Mr. Richard L. Fogel, Director of Human Resources Division presented a report on the JTPA Program to the committee on Education and Labor. He stated that "JTPA was serving a higher percentage of high school graduates and in-school youth and a lower percentage of dropouts and unemployed than under CETA."

Our concern is that JTPA does not get into the numbers game by wanting to serve only those individuals who have been determined by JTPA to have a better chance for completing the program solely for the purpose of presenting a pretty picture at the end of the fiscal year.

The United Mexican-American compiles annually a profile on the applicants coming to the Benito Juarez Center. The UMA, Inc. Board of Directors has set the priorities for the organization based on these statistics:

1. 80% are unemployed
2. 60% have not completed high school
3. 68% are not receiving any type of assistance
4. 41% have been migrant farmworkers at some time in their lives.
5. 91% are under 40 years of age.

As you can see from these statistics it is very possible that many Hispanics are being excluded from the JTPA program because of their educational and employment background if Mr. Fogel's evaluation is correct.

Today the Hispanics must achieve equality in society if they are to function and survive. To accomplish this they must be offered the opportunity to receive the training that will prepare them to compete in today's very competitive labor market.

The Spanish-speaking want the opportunity to participate in society to share, learn, and grow as individuals and as Americans, they expect to exercise those rights and responsibilities in the context of American society.

Income is the most single factor in determining economic and social status. Hispanics are severely disadvantaged compared with the general population. In the areas of income, occupation status, employment, and education, Hispanics fare very poorly. Being relegated to the bottom of the economic heap is consequence of other education and employment deprivation suffered by the Hispanics, as well as the discriminatory barriers they face along with other minorities.

Because of the high rate of poverty, lack of education, job skills, language barriers and other labor market handicaps the Hispanics are a prime target group for educational and employment assistance. Many lack a working command of Spanish as well as English. These language barriers and education problems go hand in hand and feed upon one another.

As the Hispanic develops the skills to help themselves, the local Job Training Partnership Agency must make some adjustments in meeting those needs. Manpower policies and programs too often have failed to recognize and deal with the uniqueness of the manpower needs of the Hispanic. The fact that Hispanics speak a different language and come from different backgrounds is regarded as being their own problem, and the need to establish programs built upon serving people from different cultures is not always recognized.

Recently, the UMA organization submitted a proposal to the local JTPA office that would address the educational/employment needs of Hispanics locally but was denied because the JTPA's guidelines were not applicable to our proposal. This is very disturbing to our organization, because if the Hispanics are being denied the opportunity to participate due to the program not being designed to serve those educational/employment needs then there is definitely a problem with the system and should be corrected as soon as possible.

I sincerely hope that changes will result from these hearings which will increase the participation of Hispanics in the program.

Respectfully Submitted

John F. Rivera

John Rivera, Director
Benito Juarez Cultural Center

Senator QUAYLE. In that spirit of cooperation with employers and employees, we will have this committee hearing adjourned.

Thank you very much.

[Whereupon, at 4:40 p.m., the subcommittee adjourned, subject to the call of the Chair.]

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